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NEWS SUMMARY

GENERAL

Letter bomb sent to Nott

A letter bomb was received yesterday at the House of Commons office of Defence Secretary John Nott.

Scotland Yard said the bomb, in a Royal Mail "jiffy bag" style package, was spotted by a member of Mr Nott's private staff as she was opening the mail. It had eluded the close scrutiny of all mail for MPs by Post Office staff at the Commons.

London siege

A six-hour siege on the 11th floor of a British Telecom building in London, which started after a fatal stabbing incident, ended when a man surrendered to police.

Penlee inquiry

Trade Secretary John Biffen told MPs there would be a public inquiry into the loss of the Penlee lifeboat.

Police 'war' cry

Police Federation chairman Jim Jardine told a Cardiff meeting it was time for the police to declare war on criminals. Law and order lobby, Page 10

Show of force

A local commander of the Rev Ian Paisleys "third force" said that about 400 of his men had set up illegal road blocks on roads in County Down.

Soley resigns

Clive Soley resigned as Labour's Northern Ireland spokesman after voting against renewal of the Prevention of Terrorism Act in defiance of party policy. Page 10

Times editor

The appointment of Charles Douglas-Home as editor of The Times was approved by the board of Times Newspapers and the independent directors.

Trident costs

Defence Secretary John Nott said pressures on Britain's defence budget would be eased by the Government's decision to buy Trident 2. Back Page

GLC 'divorce'

The Government is considering divorcing London Transport from the Greater London Council, "if the GLC does not fulfil its responsibilities." Back Page

Heathrow dispute

Heathrow ramp staff voted to continue their five-week-old dispute as British Airways stepped up its use of "blackleg" labour. Page 9

Melting ice threat

The success of the Transglobe expedition was endangered when the British two-man team was surrounded by melting Arctic ice, halting progress.

U.S. jet crashes

A U.S. air force jet based at RAF Alconbury in Cambridgeshire crashed in West Germany. The pilot ejected and is in hospital.

Chinese twin

Cardiff is set to become the first British city with a "twin" town in China after drafting a friendship pact with the Chinese port of Xia-men.

Liverpool out

Holders Liverpool were knocked out of the European Cup when an extra-time goal gave CSKA Sofia of Bulgaria a 2—0 victory and a 2—1 aggregate win.

Briefly . . .

British Telecom introduced a 24-hour "Pope line" telephone service in Manchester.

Gambia is to hold elections on May 4-5.

Staff and passengers fled Lagos airport when two human skulls were discovered.

Thirteen died when a Bulgarian train crashed into a bus

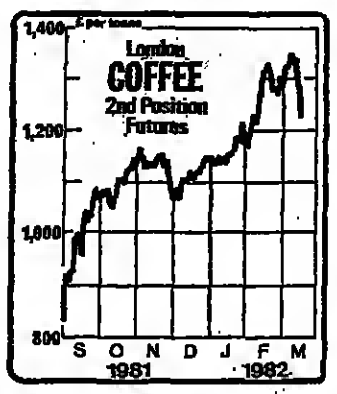
BUSINESS

Equities off 11; coffee falls £50

● EQUITIES lost ground amid worries over short-term international interest rates and poor preliminary figures from Turner and Newall. The FT 30-share index fell 11 to 551.4. Page 34

● GILTS also weakened, with the Government Securities Index down 0.32 to 68.01. Page 34

● COFFEE prices continued to fall, apparently reflecting computer orientated U.S.



selling. The May futures position in London lost £50 to £1,228.50 a tonne. Page 33

● STERLING was firm, closing at $1.81 ($1.8055), SwFr 3.405 (SwFr 3.3975) and DM 4.295 (unchanged). Its trade-weighted index was 90.7 (90.6). Page 28

● DOLLAR weakened to DM 2.3715 (DM 2.3775) and Y241.15 (Y241.4) but rose to SwFr 1.881 (SwFr 1.88). Its trade-weighted index was 113.8 (114.0). Page 28

● GOLD fell $10 to $313 in London. In New York the Comex March close was $318. Page 28

● WALL STREET was down 0.67 at 797.66 near the close. Page 32

● JAPAN is expected to raise the limit on the amount of foreign currency that branches of overseas banks may swap into yen. Page 31

● UK sold goods worth DM 27.4bn (£5.9bn) to West Germany last year, taking its share of imports from 6.7 to 7.4 per cent. Page 6

● WEST GERMAN oil industry's operating losses on refining and marketing rose from DM 1.7bn to DM 5.5bn (£1.28bn) last year. Page 3

● JOHN BROWN Engineering of Clydebank will be the main contractor in a new £50m power station in Oman. Page 6

● BUDGET RENT-A-CAR Corporation said it had agreed to buy up to 2,000 cars from De Lorean Motor Company.

● FERRANTI chairman and director Sebastian de Ferranti resigned from the defence and electronics group for personal reasons. Page 8

● SABENA, Belgium's national airline, wants staff to accept pay cuts of up to 15 per cent. Back Page; Swissair profits rise 22 per cent, Page 30

● PROCTER and GAMBLE of the U.S. will pay $371m (£205m) cash for the Morton-Norwich worldwide pharmaceuticals division. Back Page.

● AMERICAN TELEPHONE and Telegraph expanded earnings by 16.5 per cent to $7.09bn (£3.9bn) in the year to February 28. Page 29

● THOMAS TILLING, the industrial holding group, raised pre-tax profits from £70.7m to £73.6m last year. Page 27; Lex, Back Page

● CORAH, the knitted clothing maker, reported pre-tax profits of £1.63m (£1.76m) last year after a second-half recovery. Page 27

● LEX SERVICES Group lifted taxable profits by £3m to £15.8m in the year to December 27. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Brasway	80	+ 6	GUS A	495	− 13
Britannic Assrnce	290	+ 6	GKN	160	− 4
Fife Indmar	135	+ 5	Hawker Siddeley	302	− 4
Holden (A.)	180	+ 22	Heath (C. E.)	305	− 17
Lex Service	115	+ 6	IMI	56	− 4
Shell Transport	352	+ 4	Johnson Grp Clnrs	200	− 12
RTZ	418	+ 5	Lloyds Bank	435	− 5
FALLS			Martin (R. P.)	335	− 25
Exchqr 11pc 1991	£88	− 1	Pilkington	268	− 5
Treas 2pc IL 2006	£99	− 1½	Plessey	372	− 6
RAT Inds	400	− 13	Stewart Wrightson	203	− 12
Barratt Devs	259	− 6	Tilling (T.)	151	− 8
Bowater	232	− 6	Turner and Newall	77	− 17
British Home Strs	150	− 6	Wimpey (G.)	106	− 4
De La Rue	640	− 20	Libanon	379	− 15
Grand Met	198	− 5	President Brand	£13½	− 1
			Randfontein Ests.	£19½	− 1

Mitterrand says farm prices dispute could lead to EEC crisis

BY DAVID HOUSEGO IN PARIS AND LARRY KLINGER IN BRUSSELS

PRESIDENT Francois Mitterrand of France warned yesterday that the dispute over this year's Community farm prices package could lead to a damaging EEC crisis.

At his weekly Cabinet meeting, M Mitterrand assured increasingly militant French farmers that their interests would be defended "resolutely and with doggedness."

In Brussels tension mounted as Britain blocked a plan designed to end the long and violent "wine war" between France and Italy.

Mr Alick Buchanan-Smith, Minister of State for Agriculture, insisted that a proposal to ease the pressure on markets by distilling 7m hectolitres (154m gallons) of surplus wine into industrial alcohol should be referred back for study by market experts.

M Mitterrand indirectly blamed Britain for lack of progress on fixing the price increases for Community farmers' produce this year.

While she has yet to name a figure, Mme Edith Cresson, the French Agriculture Minister, is seeking an increase far above the 9 per cent average offered by the European Commission.

President Mitterrand, without mentioning Britain, said France would resist the tactic of obstructing the farm package until it has a satisfactory answer to its demand for a long-term deal reducing its annual contribution to the EEC budget.

The President was quoted as saying that France would not accept that "one state should obstruct the implementation of fundamental community roles.

"France, therefore, expects its European partners to state clearly whether they wish to see Europe's development or prefer a crisis," M Mitterrand told the Cabinet.

French farmers are expected to launch big demonstrations next week in support of demands for double-digit price increases.

M Mitterrand is anxious to show support for them before the second round of cantonal (local government) elections on Sunday.

Mme Cresson, who was recently rescued by helicopter from an unruly demonstration by farmers, insisted yesterday that the proposals to distil wine surpluses should be approved at yesterday's meeting of EEC Agriculture Ministers. She won broad approval

Britain was adamant that it could not accept the proposals without specific guarantees against market disruption. Mr Buchanan-Smith said the French "could not expect to export their problems which then disrupt other industries."

Britain, while accepting extra distillation in principle and agreeing that the proposals should be dealt with urgently, felt the measures might disrupt the industrial alcohol market. They could pose a threat to BP, which holds 30 per cent of the EEC industrial alcohol market.

France, supported by Italy, had requested special measures after the European Court ruled early this month that it must reopen its frontiers to the estimated 75m gallons of Italian imports blocked after widespread and often violent protest by French farmers.

Britain was also concerned at the cost—about £80m—of subsidising the distillation. But Mr Buchanan-Smith claimed the welfare of BP and user industries such as medicine and cosmetics makers was its main concern. BP had spent "hundreds of millions of pounds" on a second British plant to raise the company's annual capacity from 66m gallons to 88m gallons of industrial alcohol,

Turner & Newall to pay no final dividend for last year

BY LISA WOOD

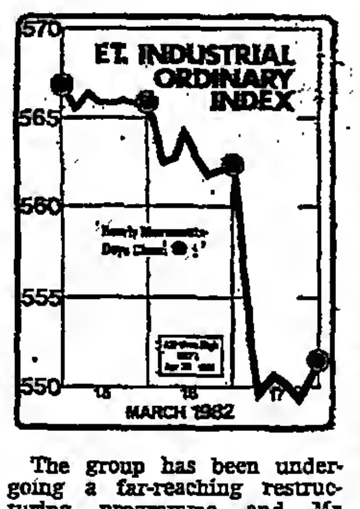
TURNER & NEWALL, the diversified industrial products and construction engineering group, is to pay no final dividend for the year to the end of December 1981.

For the first six months the company had reported pre-tax profits at £8.5m and expectations were that the second half would at least match that outturn. In the event, the second half produced £2.5m, giving £11m against £6.2m the previous year.

Mr Stephen Gibbs, the group's chairman, said the basic problem over the final dividend was cash. Over the year the group's net borrowings rose by £48.2m to £165.4m.

In 1980 the group paid a 3p final dividend, making 6p for the year against a total of 11.5p the previous year. For the first half of 1981 the interim payout was maintained at 3p.

The poor second-half showing surprised the City. On the London Stock Exchange T and N's price dropped 17p to close at 77p. The FT 30 share index, of which T and N is a constituent, fell 11 points to 551.4



The group has been undergoing a far-reaching restructuring programme and Mr Gibbs said other measures now planned would bear fruit this year with the group "getting back into a dividend-paying stage as soon as possible."

Since the start of 1979 eight companies in the FT Index have cut their dividends. They are Courtaulds, ICI, Tube Investments, Tate and Lyle, Dunlop, T and N, EMI an Guest, Keen and Nettlefolds. Although few major companies have announced final results for 1981 the City has been hoping dividends would improve.

In the past year T&N has cut its UK workforce by 2,600 to 15,400, with a further 400 jobs due to go in the next few months.

As a result, extraordinary costs amounting to £18.9m for closures have been provided for in the latest figures. Of this, £7m is related to redundancies. The company said a small element of these job-losses was still to be announced.

Mr Gibbs would give no details of the further planned rationalisation measures, most of which will involve UK companies.

In 1981 a number of plants and activities in the UK and overseas were sold or closed. This included the sale of the British Industrial Plastics subsidiary's moulding and engineering businesses. Closures already announced for 1982

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Stock Exchange cuts fees rise

BY JOHN MOORE, CITY CORRESPONDENT

PENSION FUNDS, insurance companies, unit and investment trusts and other major users of the London stockmarket have forced the Stock Exchange to abandon plans for a sharp increase in charges on share transactions.

Earlier this year the Stock Exchange unveiled plans for increased charges which would have given its stockbroking members an extra 7.3 per cent in commissions. The move met with a hostile reaction from all the major investing institutions.

Now the Stock Exchange proposes to raise charges to give an across-the-board rise in stockbrokers' commission revenues of only 4.2 per cent.

The sharp reduction in the proposed increases did not find favour in all quarters of the City. Mr Brian Medhurst, chief investment manager of Prudential Assurance, said yesterday that there was "no case made out for an increase. The whole thing is a nonsense."

He criticised the Stock Exchange for making no reduction on deals in the gilt-edged market, and said that "gilt commissions were too high."

"I really had hoped that there was going to be proper consultation between the Stock Exchange and its users, but they seem to have ignored our submission."

The Investment Trust Association welcomed the moves by the Stock Exchange as "a step in the right direction," while the Unit Trust Association said that it was "happy that the Stock Exchange has made some modifications at the lower end."

Commissions on smaller transactions are now proposed to rise by only 10 per cent, instead of the 16.7 per cent originally proposed. The new revised basic rate will increase the cost of a typical £2,000 equity bargain by £3.

The Stock Exchange has yet to decide whether to amend plans for increases on gilt-edged deals, but it is unlikely that the criticisms of the Prudential and other insurance companies will be fully met.

The Stock Exchange ruling council meets next Tuesday to discuss the issue, and the final details of the proposed revisions.

Members of the Stock Exchange said last night that brokers would review their costs and overheads thoroughly in the light of the reductions in the proposed increases.

It was predicted that staff levels of broking firms might be reduced during the next period of a downturn in activity on the stockmarket.

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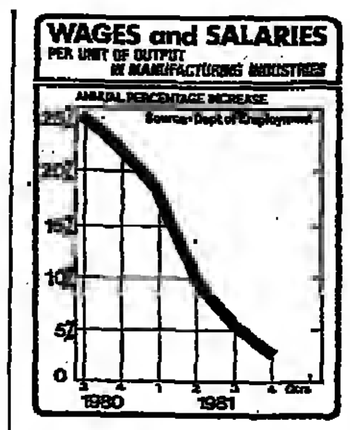

Increase in wage costs slows

By Max Wilkinson, Economics Correspondent

WAGE AND SALARY costs for each unit of output in manufacturing industry were only 2½ per cent higher in the last three months of 1981 than a year earlier, according to Employment Department figures issued yesterday.

They confirm the view that manufacturers have made substantial strides towards improving efficiency in the recession.

Wages and salaries per unit of output were increasing at an annual rate of 18 per cent at the beginning of the year. The rate moderated sharply towards the autumn and has been slowing since.

The department's measure indicates roughly the proportion of the cost of each product resulting from wages and salaries. It is crucial to showing the UK manufacturing sector's competitiveness in world markets.

The low rate of increase partly reflects lower wage settlements. According to the Confederation of British Industry's latest survey, these are about 7 per cent in the current wage round which started last autumn.

The department's index of total earnings, also issued yesterday, show the annual rate of increase fell slightly in January to 10.8 per cent. The underlying rate was about 11

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WAGE COSTS PER UNIT OF OUTPUT
(manufacturing annual per centage increase)
(3rd Quarter, 1981)

UK	5
West Germany	5
Japan	3
U.S.	6
France	9

£ in New York

—	Mar. 16	previous
spot	$1.8045-8060	$1.8170-8185
1 month	0.24-0.29 pm	0.23-0.28 pm
3 months	0.79-0.84 pm	0.73-0.78 pm
12 months	2.85-2.95 pm	2.70-2.80 pm

S. Americans call for sharp cuts in Opec output

BY OUR FOREIGN STAFF

TWO SOUTH AMERICAN members of the Organisation of Petroleum Exporting Countries have proposed much sharper cuts in Opec production than the 1.5m barrels a day reduction to 18.5m b/d to be discussed at a special meeting tomorrow.

The energy ministers of Ecuador and of Venezuela—Opec's second biggest producer—have suggested cutting output to 16.5m b/d and 16m b/d respectively.

Their position further clouds Opec's hopes for agreeing a level of production which would support the Saudi Arabian benchmark price of $34 a barrel.

The South American calculations follow speculation among oil industry experts that Nigeria would be unable to maintain the price of its Bonny Light crude at $36.50 a barrel much beyond tomorrow's talks in Vienna, whatever the outcome.

Sr Humberto Calderon Berti, Venezuela's Mines and Energy Minister, said in a Caracas newspaper yesterday that Opec would probably need to agree a production level of 16m barrels a day to maintain current prices. This would take the organisation's production to its lowest level in 10 years.

Sr Eduardo Ortega, Ecuador's Oil Minister, said Opec would need to level production at 16.5m barrels a day to support the $34 a barrel for Saudi reference crude.

Opec output is about 20m b/d. It was 24m b/d last May and an average of 31m b/d in 1979.

After last week's agreement in Qatar, Nigeria emerged as a potentially divisive pricing element although the Nigerian representative is understood to have said Lagos would keep up its price until the Vienna meeting.

A Nigerian price cut after the talks would effectively nullify the group's attempts to hold the $34 benchmark. Oil industry experts believe Libya and Algeria, the other African producers, would come under strong pressure to follow Lagos's lead.

Nigerian reaction to a cut in the organisation's output to 16m-16.5m b/d would depend on how its production was allocated at the new level. It is producing 1.2m to 1.3m b/d, from 1.8m b/d in January. With an austerity budget, based on production of 1.3m b/d for the year, observers think Lagos might be tempted to hold the price line with a production allocation of 1.5m b/d.

Kim Fuad reports from Caracas: There are indications that while Venezuela would favour cuts in production rather than price at the OPCC meeting, it could accept a compromise which would include price cuts.

Echoing a consensus among Venezuelan economists, one oil industry expert said: "Both positions—production or price cuts—are legitimate, but the choice depends on your outlook. The production cut view is based on an upturn in demand in the second half of the year; the price cut takes the longer view.

Output cuts hit Nigeria budget plans, Page 4
West Germany oil industry losses, Page 3
UK wins bigger share of West German trade, Page 6

Shell reduces price of oil for industry

BY MARTIN DICKSON, ENERGY CORRESPONDENT

SHELL HAS seized the initiative in Britain's oil products price war and cut by £2 to £5 a tonne the prices it charges its industrial and commercial customers.

The move, announced yesterday, reflects intense competition among oil companies at a time of falling demand. It is the first reduction for many years in the scheduled price of industrial oil products, and follows a $4 a barrel cut in the price of North Sea oil at the start of this month.

If other companies follow suit the cut could be a significant help in containing industry's energy costs. Until now the motorist has benefited most from the oil glut, as companies have slashed pump prices. Industrial and commercial customers have been given rebates, but not on the same scale.

Other leading oil companies last night, however, gave no immediate indication of following Shell's move.

The cuts took effect at midnight last night and mean 2p a gallon off the scheduled price of derv and gasoil and 0.91

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EUROPEAN NEWS

French government shrugs off gloomy economic tidings

BY DAVID HOUSEGO IN PARIS

THE French Socialist administration has long learned to shrug off the scepticism with which French economic policy is met in London or Bonn. Even two months ago it still had that defiant air of believing that it could get away with the almost impossible gamble of defying world economic trends by single-handedly reflating while in a recession.

This optimism has now become more difficult to sustain. Almost all the latest economic data have brought unwelcome tidings of an economic recovery that is losing steam, of a budget deficit that resists attempts to batten it down, of a sharply widening trade gap, of accumulating inflationary pressures, of renewed weakness of the franc and of unemployment still running uncomfortably high.

The alarm of the two economic ministers, M. Jacques Delors, the Minister of Finance, and M. Laurent Fabius, the Minister for the Budget, that public expenditure risks getting out of control emerged in the unusual step President Mitterrand took last week. He announced a future ceiling on the budget deficit as a proportion of GNP—one of those elusive, Olympien statements that does not give much clue as to whether the shoe is intended now to pinch in terms of higher taxes or in spending cutbacks.

Last week the official statistics bureau Insee warned for the first time that recovery would be difficult to sustain without a pick-up in world demand, about which it was pessimistic.

The sharpest recent warning from industry came last week, however, from M Yvon Gattaz, the head of the employers' organisation (CNPF) who has so far been anxious to avoid any head-on clash with the Government. Intending to sound a note of alarm, he spoke of the risk of accelerating bankruptcies from the continuing rise in industries' costs resulting from such measures as the shorter working week and longer holidays at a time of squeezed profit margins.

Of the major factors causing concern, the most important are:

● The rapid acceleration of the budget deficit—a trend running counter to that in Britain or West Germany. Originally intended to provide a reflationary boost to the economy, the deficit increasingly risks both exacerbating inflation and diminishing companies' access to the financial markets.

From a planned budget deficit of FFr 30bn (£2.72bn) in 1981 after a period of shrinking budget deficits as a proportion of GNP as a result of M. Raymond Barre's restrictive policies the actual deficit expanded to FFr 78bn by the end of the year. The FFr 95bn deficit provided for in this year's budget is now expected to reach FFr 120bn because a lower rate of economic growth will diminish budget receipts and because of additional unforeseen expenditures.

The mere carrying forward of existing policies will raise this deficit to FFr 143bn next year, with proposed additional spending bringing it up to a possible FFr 200bn.

The budget deficit underestimates the true size of the French public sector deficit, however, because it excludes a further anticipated deficit this year, and in 1983, of over FFr 50bn in the separately administered Social Security and Unemployment Benefit funds.

M. Mitterrand's call to limit the budget deficit to 3 per cent of GDP (about FFr 120-130bn next year) leaves open the painful decision of how this can be achieved without going back on expenditure plans designed to boost growth and employment—targets at the centre of the Government's strategy.

● An accelerating trade deficit. As a result of both a slowdown in exports and an increase in imports the trade gap is growing faster than had been anticipated at the time of last year's reflationary measures. On the balance of payments figures, the deficit grew from FFr 4.9bn in the second quarter of 1981 to FFr 12.9bn in the third and to FFr 17.3bn in the last quarter.

This trend has been carried into 1982 with an uncorrected deficit in January of FFr 8bn as against FFr 3.1bn in July 1981—provoking ministerial fears that last year's trade deficit of FFr 59bn could reach FFr 80-100bn this year.

● Both consumer demand (the main component of recovery in the second half of 1981) and industrial production sagged in January and February. Insee has noted an increase in stocks and a decline in orders—a picture confirmed by the Bank of France and, in particular, by capital goods manufacturers.

The continuing stagnation of private investment especially, has thrown the Government's plans out of joint. It had been counting on new industrial investment to offset the running down of such major public sector investments as the nuclear power programme and the new high-speed train, which have sustained overall fixed capital investment in recent years.

● Though the Government is having some success in bringing down the inflation rate from last year's 13.9 per cent, France's competitors are having even more. New inflationary pressures are also building up because French workers—unlike West German workers—will obtain further real gains in purchasing power this year because of increases in social security payments on top of wage increases linked with inflation.

Real disposable household income, after rising 0.5 per cent in 1980, rose by 2.5 per cent last year and is expected to rise again by 1.7 per cent this year.

● The continuing divergence in the French and West German inflation rates is at the root of the renewed pressure on the franc within the European Monetary System (EMS) and the belief in the foreign exchange markets in a further devaluation by the autumn.

● Unemployment is expected to continue to hover around the 2m mark because of industry's higher costs. These are seen as a deterrent to taking on new people and a reason for the slower than expected growth rate.

Growing public unease over the economy almost certainly had a hand in the shift of votes away from the Left in the first round of the cantonal (local government) elections last Sunday. The reaction of M. Pierre Mauroy, the Prime Minister, to the Government's setback has been to affirm that it will stick to its existing policies. Thus, for the moment, M. Mauroy is turning his back on the problems and on the difficult decisions over retrenchment that would involve the Government climbing down on its electoral promises.

In the long run, the Socialists are putting their hopes in the restructuring of industry and their ambitious investment plans for the nationalised sector, the success of which is still open to question. But for the moment it is hard to avoid the impression that they are trusting to luck and better times.

THE BANK OF FRANCE yesterday raised the day-to-day money market rate by half a point from 14½ per cent to 15 per cent in support of the franc. This followed a ½ per cent rise last Tuesday reversing the downward trend in rates which had carried the money market rate to 14 per cent at the beginning of the month—its lowest since the presidential elections last May.

Foreign exchange dealers have reported continuing intervention by the Bank of France over the last two weeks in support of the franc which has been slipping against the D-Mark within the EMS.

The parity of the franc has been weakened by the widening of the French trade deficit, alarm over the size of the budget deficit and continuing divergence in the French and West German inflation rates. The recent devaluation of the Belgian franc has left the French currency the most exposed within the EMS.

The French franc was being traded in Paris yesterday at FFr 2.582 to the D-Mark or close to the latter's ceiling within the EMS of FFr 2.62. Against the dollar the franc fell to FFr 6.13, or close to its record low of FFr 6.18.

Bonn rejects Soviet missiles freeze

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government has warned the Soviet Union that deployment of new U.S. intermediate-range nuclear missiles in Europe can only be stopped if Moscow scraps its own weapons of this kind.

A statement issued after a cabinet meeting yesterday made clear that the offer of a missiles freeze made by President Leonid Brezhnev last Tuesday was not acceptable as it stood.

Mr Brezhnev's statement showed the great Soviet interest in ensuring that no U.S. Pershing-2 and Cruise missiles were deployed in Europe from the end of 1983, it added.

There was only one way to achieve that goal, however, and that was through agreement on the "zero option" in the Geneva negotiations between Moscow and Washington. This option means that the West will not deploy the new U.S. weaponry in Europe — mainly in West Germany—if Moscow agrees to dismantle its 300 SS-20 missiles, each of which has three nuclear warheads.

In his speech, Mr Brezhnev said the Soviet Union would freeze deployment of SS-20s west of the Ural mountains, but only so long as the U.S. made no practical preparations to station its new missiles.

While the Bonn Government makes clear that this proposal is not enough in itself, the tone of its statement is not wholly dismissive of Mr Brezhnev's speech.

Bonn officials underline that the key point is whether the offer marks a turning point in the Soviet approach to the missiles issue, or whether it is simply aimed at trying to confuse and divide the Western allies.

Meanwhile, the "peace movement" which mainly comprises those opposing the new U.S. missiles, is stepping up preparations for a big demonstration in Bonn during the Nato summit meeting here on June 10. About 40 different groups have announced they will take part.

Tejero tells court of previous plan to seize power in Spain

BY ROBERT GRAHAM IN MADRID

THE MAN who led the seizure of the Spanish Parliament last year, Colonel Antonio Tejero, claimed yesterday that he had been planning a Turkish-style coup.

He told the court martial trying him and 31 other officers for rebellion that he had considered two options — the seizure of the Prime Minister's office or Parliament. This was the first time since the trial began on February 18 that he has given evidence. With a hint of irony, he said he chose to seize Parliament because security was greater round the Prime Minister's office.

Addressing the court with enormous confidence and considerable humour, the Guardia Civil colonel said that he had contemplated action to change the decaying state of Spanish democracy well before any of the accused contacted him.


Gen Armada . . . denies giving go-ahead.

His plans to take over Parliament were incorporated into a "national operation" to save Spain after a meeting in Madrid on January 18.

Col Tejero claimed that the tactical head of the operation was Gen Jaime Milans del Bosch, commander of the Valencia military region. However, he said that Gen Alfonso Armada — former head of the King's household, would be the political chief and the man to head a new government — all of military men.

Simultaneously with his occupation of Parliament, there would be full support from the Brunete armoured division.

His mission was solely to take over Parliament, without bloodshed and in the name of the King, and then await a senior military figure, he said. This he understood to be Gen Armada.

Several times Col Tejero said he was not a monarchist, implying he disagreed having to act in the King's name. However, on other occasions, he sought to justify his action by saying it had the King's support.

Three days before the coup attempt he said he met Gen Armada who gave the go-ahead. The latter has denied any such meeting.

Greek plea to EEC next week

By John Wyles in Brussels

GREECE'S long-awaited demands for a "special status" within the EEC will be outlined to Community foreign ministers on Monday and strongly advocated by Mr Andreas Papandreou, the country's Prime Minister, to the European summit a week later.

Politically, the most interesting thing is that the demands do not seek to "drop out" from any EEC activities through derogations from existing rules which Greece accepted under the Treaty of Accession. As a result, Athens will not be seeking to open the door to a "two speed Europe."

Instead it is expected to try to exploit existing rules and procedures to boost state aids to some of its industries, give others special protection against imports and draw even more benefits from the common agricultural policy.

UK resists Reagan's sanctions pressure

BY PAUL CHEESERIGHT

U.S. ATTEMPTS to organise a stiffer credits policy towards the Soviet Union among the Western allies received their third setback in a week yesterday during talks in London. Mr James Buckley, the Under-Secretary of State, met senior British officials and unfolded a plan to halt subsidised official credits, and abandon export credit insurance.

The reaction was guarded and cool. Although the UK Government is generally sympathetic in political terms to signalling disapproval to the Soviet Union, it is not prepared to wage economic warfare.

Mr Buckley's delegation therefore, was told that his plans needed lengthy examination, and there were a lot of dangers attached to them. Britain would be prepared, however, to take part in a meeting of the allies to discuss the problem.

The British response is essentially the same as Mr Buckley received in Bonn and Paris earlier this week. On his present tour he also goes to Rome and Brussels, after which his findings will go to President Reagan for a final decision on how the U.S. might implement against the Soviet Union.

Mr Reagan first announced sanctions last December. They concentrated on depriving the Soviet Union of goods and technology.

There are difficulties for the British Government in terms of competitive advantage related to differing levels of domestic interest rates among European trading partners and Japan. The abandonment of officially subsidised credits would mean that the Soviet Union, to do business with Western countries, would be forced to pay the market rate for the funds.

Interest rates in both Japan and West Germany are lower than in Britain, however, and this could give their exporters, still dealing with the Soviet Union, a competitive advantage.

Call to close unprofitable mills and seek new supply sources overseas

BY ANDREW FISHER IN HELSINKI

A STRONG call for a "cleaning up" of unprofitable pulp and paper capacity in Europe was made yesterday at a conference held in Helsinki by the Financial Times in co-operation with the local newspaper Helsingin Sanomat.

Governments in many countries had financed weak companies in a way that was unfair to the industry's healthy sectors, said Dr. Bjorn Sprangare, managing director of the MoDo Group of Sweden.

"Many political decisions have resulted in a conservation of unprofitable industry," he told the conference, European Pulp and Paper in the 80s. "There is a need for a cleaning up in the pulp industry as well as in the paper industry in Europe."

He also said European companies would have to work more closely in the future, a theme echoed by several other speakers on the first day of this two-day conference. "The risks are too high and the margins too small if we are not solving the problem in co-operation."

In Scandinavia, he said, pulp producers would have to expand their big mills and close more small ones to compete with North America. With high wood costs in Nordic countries, new pulp supplies to Western Europe would come not from Scandinavia but from the southern states of the U.S. and probably Brazil.

Mr Guy Dufresne, Vice-President in charge of marketing, pulp and paper at Consolidated-Bathurst of Canada, also thought that the rising pulp needs of the EEC and other importing countries would be met by Canada and other parts of the world, such as Brazil.

On newsprint, he said: "North America should continue to be the low cost producing area." Increased capacity would mean that North American companies would be able to offer increasing volumes of newsprint, markets pulp and linoboard to European customers.

He forecasts that North America would increase annual newsprint capacity by about 30 per cent or 4m tonnes in the 1980s with Scandinavian capacity going up by 25 per cent or 1m tonnes.

But these two regions would have a smaller share of total world newsprint capacity by 1990 as other countries increased their level of self sufficiency.

But recent capacity rises had been above growth in newsprint demand. North America and Scandinavia now had a combined exports capacity of 7.5m tonnes a year with import demand in their markets totalling only about 5m tonnes.

Dealing with capacity in Western Europe, Mr Eric Ehrnrooth, president of Jaakko Poyry International, the Finnish consultants, said obsolete paper and paperboard machines with over 8m tonnes of total yearly capacity would be shut down in the 1980s.

The rise in annual capacity caused by rebuilding of machines and installation of new ones required to meet forecast demand growth—2.7 per cent a year, over the decade against 3.3 per cent for the whole world—would be around 19m tonnes. Of this, new machines would account for over 10m. Thus, capacity would rise from 52m tonnes in 1980 to around 63m in 1990 and around 70m in 1995 in Western Europe.

At present, surplus capacity in the pulp and paper industry was a "constant headache" for companies having to balance volume against prices to achieve profitability, said Mr John Worlidge an executive director of BAT Industries and deputy chairman of its paper subsidiary, Wiggins Teape of the UK.

"Many operations based in Western Europe may look with some envy at the higher returns which are generated in North America," he said in his opening speech at the morning session. In the U.S. from 1975 to 1979 average return on capital employed for 15 major foreign industry companies was 14 per cent, a rate exceeded by only half a dozen of the European companies.

Chairing the session, he described the overall growth outlook as "cloudy to say the least." But the developing countries were major new areas of growth in demand. An estimated 30 per cent of all new demand in the next decade will be generated by countries outside Europe, North America and Japan.

In 1990 annual demand for paper and board is forecast to be 44m tonnes (24 per cent) above this year. Pulp supplies will still be dominated by North America, supplying up to 60 per cent of export market pulp. But Brazil is expected to double pulp exports by 1990, while the overall influence of Scandinavian supplies is likely to decline.

Also pessimistic about the general outlook was Mr Lars Mikander, vice-chairman of Ahlstrom of Finland. "I am afraid that we shall have to face a decade of negligible or very slow growth, continued high interest rates and high inflation and unemployment," he predicted.

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The industry in the world's major producing countries would have to invent new technology to cut costs and improve products, he said, noting that Finland had a higher average investment lead in the pulp and paper industry than the rest of Europe.

He spoke too of the need in Europe to improve pulp and paper statistics and market information to create a sound basis for company decision. From West Germany Mr Norbert Lehmann, President of PWA (Papierwerke Waldhof-Aschaffenburg), also stressed this point.

In his speech, delivered for him in his absence, he said there had to be international co-operation through a system of information exchanges on planned capacity changes, for all paper grades. This idea has resulted in the establishment of the European Paper Institute.

Count Louis de Meeus, Director General of the EPI, who chaired the afternoon session, told the conference that paper and board demand in Western Europe could grow by an average of 2.2 per cent a year up to 1985 reaching 46.5m tonnes.

After describing the positive features of the European industry he said the missing factor was profits. "We need profits to modernise business, to maintain adequate employment, to contribute to each nation's incomes and to diversify."

During the discussion period, Mr Fernand Braun, Director-General for Internal Market and Industrial Affairs at the EEC Commission, said the Commission had encouraged co-operation efforts in the European paper industry.

He said later in his main speech, that suppliers of pulp to the EEC could hardly be surprised that the Commission had invoked competition rules over pricing in the Community. "Such an important move would not be undertaken without very careful consideration by the Commission." (Hearings on allegations of price fixing are due soon in Brussels).

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EUROPEAN NEWS

W. German oil industry forced to curb refining as losses rise

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN oil industry ran up operating losses of DM 5.5bn (£1.28bn) on its refining and marketing operations last year and the deficit has widened further in the first two months of 1982.

Since the first oil crisis in 1974, West German oil companies have accumulated operating losses of DM 13bn (£3bn) in refining and marketing. Plunging demand for oil products is forcing the industry to make drastic cut-backs in refining capacity.

According to a report from the Energy Economics Institute of Cologne University—based on data supplied by the oil industry and the Economics Ministry in Bonn—the "desolate" state of the oil market could force some companies to withdraw altogether or at the very least to restructure their activities radically.

West German oil companies are in the process of cutting about 40m tonnes of crude oil refining capacity from the total of around 150m tonnes available last year.

Significant closures have been announced already by Deutsche BP, the West German subsidiary of British Petroleum, and by Shell and Esso, but the drastic restructuring of the industry is being accelerated, with a further refinery shut-down planned by Texaco and Chevron.

According to Dr Armin Schram, chief executive of Deutsche Texaco, the group's profitability has deteriorated "so dramatically in the first two months of this year that the existence of our oil refining and marketing operations is endangered."

Texaco has had to reduce operations at its West German refineries to only 54 per cent of capacity, compared with 72 per cent in the final quarter of last year.

It is planning the closure of its 50-50 joint venture refinery with Chevron at Raunheim, near Frankfurt, which has a capacity of 4.5m tonnes a year. Around 1.5m tonnes of the refinery's activities were shut down as a temporary measure last September.

The two companies plan to continue the operation of the adjacent basic petrochemicals works at Raunheim which supplies important products, such as ethylene and propylene, to the Hoechst chemicals group. Feedstock (naphtha) for the chemicals complex will be supplied in future by pipeline from the companies' joint refinery at Pernis in the Netherlands.

In a desperate move to stem the mounting losses on its marketing operations, Texaco tried last week to push through a 2 pfennig per litre increase in petrol prices, despite the falling trend of oil prices on international spot markets.

It was joined by Aral (together, the two control about a third of West German filling stations), but the two companies have had to admit defeat this week and cut prices again in order to halt the drastic fall in volume sales.

Since reaching a peak of around DM 1.54 (36p) per litre in September petrol prices have fallen steeply to a current level of around DM 1.28 (30p) per litre.

Operating losses on oil refining and marketing last year averaged DM 50 (£11.68) per tonne (4.2 pfennig per litre), compared with a deficit of DM 14 (£3.27) per tonne (1.2 pfennig per litre) in 1980. Total operating losses jumped to DM 5.5bn (£1.28bn) compared with a deficit of DM 1.7bn (£397m) in 1980.

Little relief appears in sight and the volume of oil product sales slumped by 15 per cent again in January compared with the same month a year ago.

Recovery at risk warns Denmark's central bank

By Hilary Barnes in Copenhagen

FAILURE to control the growth of the budget deficit will delay the Danish economy's recovery, the Central Bank warns in its annual report, published yesterday.

"The necessary adjustments for restoring equilibrium in the economy by reducing the state deficit, dampening inflation, bringing down interest rates and increasing investments are being shunted into the future," it says.

There is little prospect of an automatic reduction in the budget deficit arising from increased economic activity, the report adds. And in the medium term, the growth of the deficit is hindering the adjustments which are required to bring about a sustained improvement in employment.

According to Finance Ministry estimates, the public sector's net borrowing requirement this year is expected to be about DKr 47bn (£3.26bn), or about 10 per cent of the gross domestic product.

The bank also warns that its attempt to narrow the gap between Danish and foreign rates of interest will have to be dropped if last year's improvement in the balance of payments deficit is not maintained.

● The Danish Parliament has conditionally approved state aid to a 10-year-old squatters' "free city" in Copenhagen, which critics have denounced as a centre of drug abuse, Reuter reports.

This would be on condition that the squatters in the 44-acre compound at Christiania stopped selling hashish openly, observed civil law and paid value added tax on goods sold by their cottage industry.

East Germany looks further east for economic inspiration

BY LESLIE COLITT IN EAST BERLIN

EAST GERMANY until recently could always be depended on to state that its own economic achievements were made possible only by emulating the Soviet Union. All this has now changed, and the reason is obvious.

East Germany's economic growth last year was 5 per cent while the Soviet economy grew by 3.2 per cent. Collectivised East German agriculture, although less efficient than farming in West Germany, is able to provide East Germans with a high protein diet; Soviet agriculture, on the other hand, is barely capable of producing enough grain for human consumption.

East Germans have long been aware that centralised state planning works far better in small tightly organised East Germany than in the vast reaches of the Soviet Union. However, they still were obliged to mouth the slogan that "learning from the Soviet Union means learning to win." Today such phrases are largely confined to the ideological and military spheres, where total allegiance to Moscow is obligatory.

Not long ago, an East German newspaper article on apartment construction would invariably have included a reference to the Slobin method in the Soviet Union, which was held up as a key to greater productivity in erecting prefabricated elements. The methods to be emulated now are nearly all German.

Herr Erich Honecker, East Germany's leader, whose loyalty to the Soviet Union is impeccable, expressed the new reliance on German virtues when he modestly noted that "our people have important traditions in science and technology . . . the question now is to cultivate these traditions."

In striking contrast to the East German Communist Party, which demonstrates subservience to Moscow, most East Germans display a condescending attitude towards the Soviet Union. This, in fact, was the main reason why the Soviet and East German Communist parties felt the need to inculcate the message that Soviet technology was the wellspring of all progress.

What has changed is that the leaderships in East Berlin and Moscow have realised that the Democratic Republic is not going to achieve its goal of radically altering its economy from extensive to intensive production by modelling itself on grossly inefficient Soviet industrial methods. An efficient East German economy, however, is vital in order to maintain and improve living standards, which East Germans constantly compare with those in West Germany. It is no less important to Moscow.

East Germany provides most of the ships the Soviet Union imports, two-thirds of the power shovels and cranes, 60 per cent of the forge and press equipment, and up to 80 per cent of the machinery imported for the Soviet construction materials industry.

East German agriculture has an infrastructure much superior to that of Soviet agriculture, and its collective farmers are far better motivated. But over the past decade this did not stop the East Germans from following many of the same mistakes endemic in Soviet agriculture.

Forced by the pace of change to reject the Soviet Union as the universal font of technological excellence and unable for political reasons openly to emulate West Germany, East Germany is increasingly looking to Japan as its model for economic development. The hope is that, by the application of native skills to Japanese methods, it can confirm its place as East Europe's industrial showpiece while still maintaining political allegiance to the Soviet system.

Crops were grown on oversized farms—frequently larger than 5,000 hectares — while 2,000 and more head of livestock were raised on cattle farms. The two were kept far apart and under separate administrations so that fodder supplies for cattle farms became a major problem.

In the course of industrialising agriculture along the Soviet model, farms were given names such as "Agricultural Production Co-operatives for Crop Production." East Germany has now reversed this process of extreme specialisation after yields failed to improve. Instead of extolling the virtues of the agricultural worker, who was seen to have the same relationship to the soil as an industrial worker to his machine, the East German Party is appealing to what remains of the "peasant ethic." "Pride in the peasant's occupation is growing," East Germany's Agriculture Minister, Herr Heinz Kuhrig, recently noted, with a touch of optimism.

This marks yet another departure from Soviet practice. The Soviet peasant may be far more productive on his private plot of land than working on the giant collective farm, but this attachment to his own land has long been mistrusted by the party.

In modernising its economy, East Germany's most obvious source of technological inspiration would seem to be West Germany. And to a large degree, West Germany does serve this function, although the East refuses to admit it. West German companies have won most of the contracts to modernise the East German chemicals and plastics industries, and East Germany measures its own industrial progress by that in West Germany.

Even so, while all other Comecon countries, including the Soviet Union, hold up West German products and technologies as a model for their own industries, East Germany cannot openly follow suit. This it believes would be tantamount to admitting that East Germany's main rival, West Germany, had become the industrial model for the Communist world in much the same way as the Kaiser's Germany was for late 19th century Tsarist Russia.

Having (in reality) eliminated the Soviet Union as an example to be followed, and being unable publicly to praise West Germany, East Germany has appointed Japan to the role of official exemplar. Japanese industry is to serve as a vehicle to pull East German industry up to the level of an industrial pace setter. Thus, the Democratic Republic gave a spate of orders to Japanese industry last year during and after Herr Honecker's state visit to Japan.

One advantage of holding up Japan as a paragon of efficiency and hard work is that few East Germans will ever have any contact with ordinary Japanese. By contrast, the Soviet presence in East Germany is inescapable in the form of 380,000 ill-paid and miserably housed soldiers.

Government threat ends Portuguese rail strike

By Diana Smith in Lisbon

PORTUGAL'S 1,500 train drivers began to return to work yesterday after a 13-day strike. The Government had threatened them with dismissal for failing to report for work, and while union leaders held out, the men did not.

The drivers' average monthly wage of Es 35,000 (£278) is well above national levels, but they went on strike for a pay increase of Es 15,000 (£119) or 43 per cent. This is vastly in excess of the 15 per cent ceiling imposed by the government on economically-pressed public sector companies.

According to Sr Viana Baptista, the Transport Minister, the railways lose Es 28m (£220,000) a day. They have been constantly hit by strikes since mid-1981 and this is the third time since May that the Government has threatened drivers with dismissal, accusing them of elitism and political ambiguity.

OVERSEAS NEWS

Kenyan reserves lowest since 1976

By Michael Holman in Nairobi

KENYA'S foreign reserves continued to fall in the first quarter of this year, reaching a six-year low of K£110m (£116.6m) earlier this month, compared to K£185m a year ago, according to latest available figures.

The present reserves provide cover for barely one month of imports. They are the lowest since June 1976, when the country was rescued from its foreign exchange difficulties and growing balance of payments deficit by a take-off of tea and coffee prices on the world market.

This time the country awaits the outcome of negotiations with the World Bank and the International Monetary Fund (IMF). A three-year World Bank structural adjustment programme worth SDR 130m (£81m) should be agreed next month, say government officials. They also hope that an extended financing facility of over SDR 100m will soon be concluded, with the first tranche drawn in May.

A K£51.8m Eurodollar loan drawn towards the end of last year helped raise reserves to K£159m at the end of 1981. But officials say there have been "heavy" payments for oil and external debt commitments at the start of this year. The debt service ratio for 1982 is expected to be around 18 per cent.

Senior officials believe that this year will mark "the bottom of the trough," and that the economy will begin a slow recovery in 1983 and 1984.

They argue that the effect has yet to be fully felt of some of the measures taken over the past year—including a 30 per cent devaluation of the shilling against the dollar, and import restrictions.

The balance of trade deficit for 1981 is forecast to have fallen from K£443m in 1980 to K£373m last year, mainly as a result of these moves.

Prices of tea and coffee, which account for about one-third of export earnings, should improve in 1983 and 1984, officials say.

Quentin Peel, Africa Editor, on the impact of falling oil revenue on Nigeria

Output cuts hit spending plans

OPEC IN CRISIS

NIGERIA

As members of the Organisation of Petroleum Exporting Countries (Opec) prepare for special talks on measures to cope with the glut of oil on world markets, the Financial Times begins an occasional series on how weak oil prices are affecting key Opec producers.

OF ALL the Opec member states meeting in Vienna tomorrow, there is little doubt that Nigeria is under the greatest pressure to seek a substantial cut in the oil price.

Oil production in Nigeria has been badly hit in recent weeks by declining sales: down from a level of almost 1.8m barrels a day (b/d) in January, to barely 1.4m b/d in February, and currently running between 1.1m and 1.2m b/d, according to oil industry officials.

The latest slump in the oil market has hit Nigerian production just as it looked set to recover from last year's dramatic drop, when it fell from more than 2m b/d in January to only 700,000 b/d in August.

These huge fluctuations have left the Nigerian exchequer reeling, for oil accounts for well over 90 per cent of export earnings, and some 80 par cent of government revenues.

They have wreaked havoc with the Nigerian foreign reserves, although accurate figures are impossible to come by. According to IMF figures, Nigerian foreign exchange holdings fell from $9.3bn in January 1981, to less than $3.1bn at the end of the year, while the Nigerian central bank puts the fall in foreign exchange assets from $8.3bn in January 1981 to $4.2bn in January this year.

The reasons for Nigeria's particular vulnerability relate to three factors: the state of the market for its crude, the size of its budget commitments in a country with a population between 80m and 100m, and the level of its imports—which make Nigeria Britain's largest export market outside Europe and the U.S.

NIGERIA'S OIL PRODUCTION AND FOREIGN EXCHANGE RESERVES

	Oil* ('000 b/d)	Foreign exchange reserves (US$m)
1981		
January	2,091	9,314
February	1,944	8,465
March	1,868	9,014
April	1,625	8,359
May	1,292	9,421
June	1,350	7,837
July	773	7,181
August	708	6,978
September	1,060	5,623
October	1,249	4,431
November	1,459	3,604
December	1,785	3,097
1982		
January	1,763	§
February	1,404‡	§

* Source: Oil section, Lagos Chamber of Commerce. † Source: IMF. ‡ Estimated. § Figures unavailable.

The recent slump in sales has been more severe than for other oil producers because Nigeria's Bonny Light crude is the closest competitor of North Sea oil at the top end of the market. The decision by the British National Oil Corporation to cut its price to $31 a barrel, a full $5.50 below the Nigerian price, came therefore as a major blow.

The oil companies agree Nigeria has learned one lesson from last year's oil glut: that it cannot maintain too high a premium over the Saudi reference price.

Since last October, Nigeria has cut its premium over the $34 reference price to only $2.50, instead of the $4 it was insisting on earlier in the year. As a result, Nigerian production recovered more quickly between September and December than had been expected.

That greater realism on pricing levels, which has resulted in Nigeria undercutting Algeria and Libya by 50 cents a barrel, does not imply any weakening of the Nigerian government's political commitment to Opec.

While the oil market has been rife with reports of an imminent Nigerian price cut in recent weeks, Nigerian oil officials have remained adamant in their loyalty to Opec.

The need to finance an enormously ambitious $125bn five-year development plan—which includes the creation of a steel industry ($4.7bn), the building of a new capital city ($3.9bn), and a standard gauge railway line ($2.5bn)—has put that loyalty under great economic strain, however.

The latest Nigerian budget, announced by President Shehu Shagari in December, and currently being debated by Parliament, is based on a conservative forecast of average oil production during the year of 1.3m b/d, at a price of $36: the figures no longer look conservative.

On that basis, capital spending on the development plan had to be cut back from the Naira 8.9bn (£7.6bn) spent in 1981, to only N7.4bn (£6.36bn) this year.

The greatest immediate strain falls on the 19-state governments in Nigeria, which were virtually all in financial difficulties before the latest crisis, and totally dependent on subsidies from the Central Government's oil revenues. There has been a rash of strikes by disgruntled state employees over delays in wage payments.

Contractors on major construction projects in the states report worsening delays in payments, which in turn means that the projects have to be slowed down or abandoned. With both state and federal elections due in 1983, the Government will be under intense domestic pressure to maintain its major source of income.

The other immediate problem is the balance of payments. In spite of promises to cut back imports, there is no evidence to date that they have fallen below last year's average level of N1.2bn ($1.9bn) a month. Oil production of 1.3m b/d produces exports worth little more than $1.2bn a month, leaving a trade gap of some $650m a month to be financed.

Foreign borrowing, particularly by the insolvent state governments, is already causing concern among senior Federal Government officials. Federal borrowing is planned to increase by 30 per cent this year to more than N2bn ($3.1bn), but the states will almost certainly be held below last year's N3.2bn.

As a result, the only way Nigeria can be expected to maintain the present Opec price, and preserve its development plan, will be with the benefit of loans from fellow members. A lower price might be a cheaper option.

Report predicts African food crisis

BY OUR OWN CORRESPONDENT IN NAIROBI

AFRICA FACES critical food problems on the 1980s, says a United Nations World Food Council (WFC) report released in Nairobi yesterday.

Food production on the continent per person fell 7 per cent in the 1960s, declined a further 15 per cent in the 1970s, and is likely to continue deteriorating this decade, says the report, which was prepared for the eighth session of the WFC in Mexico in June. African member countries are meeting this week in Nairobi to discuss the report.

Food consumption is 10 per cent less per capita than 10 years ago, despite a doubling of grain imports in the 1970s to 11m tonnes. Food imports are expected to triple by the mid 1980s the report warns.

"The food situation is critical in most countries with a widening gap between food needs and availability," the report continues. "Hunger and malnutrition during the 1980s are expected to become far more widespread . . . unless concrete measures are intensified to reverse these trends."

The report blames poor management, inadequate physical infra-structure, poor production as well as recurrent droughts and deteriorating terms of trade between Africa and the developed world. It also criticises the policies of bilateral and multi-lateral development agencies, and poor co-ordination between them.

Too low a proportion of agency assistance has gone to domestic food crop production, says the report. World Bank and International Development Association (IDA) lending to agriculture and rural development in sub-Saharan Africa was $664m (£369m) in 1981.

The report notes that per capita income in 19 countries grew less than 1 per cent a year between 1969 and 1979, and 15 countries recorded negative growth.

Zimbabwe Minister told to rewrite constitution

SALISBURY — Mr Robert Mugabe, Zimbabwe's Prime Minister, has ordered a Cabinet Minister-lawyer to rewrite the British-drafted constitution, a document which guards against abuses of civil rights.

The constitution was approved by Mr Mugabe and other parties at British-chaired Lancaster House peace talks in London in December 1979.

Mr Mugabe, his rival guerrilla leader Mr Joshua Nkomo and the former Prime Minister, Bishop Abel Muzorewa, each signed an agreement accepting the document and its entrenched declaration of rights.

But Mr Eddison Zvobgo, newly-appointed Legal and Parliamentary Affairs Minister, who has been asked to rewrite the document, told reporters yesterday that the constitution had been "imposed on us" by Britain, the former colonial power.

"The Prime Minister feels there is a need now to transform our constitution and to move very speedily in that direction," he said. He did not specify which parts of the constitution needed amending. But he said the ruling Zanu-PF party favoured a change in the two-tiered parliament and an executive President.

AP

Israel and Egypt fail to resolve border issue

BY DAVID LENNON IN TEL AVIV

ISRAEL and Egypt had still not resolved their dispute over demarcation of their future international border yesterday as 450 U.S. paratroopers flew into the Sinai where they will form part of the multinational peace-keeping force.

After three days of talks in Israel, Mr Kamal Hassan Ali, the Egyptian Deputy Premier and Foreign Minister, returned to Cairo having failed to end the dispute over the line behind which Israel is to withdraw on April 25.

But he and Mr Ariel Sharon, the Israeli Defence Minister, expressed optimism that the differences would be resolved, most likely at a further meeting between the two sides to be held in Cairo at the end of the month.

Meanwhile, the first batch of troops of the U.S. 82nd Airborne Division flew into Ophira at the southern tip of the Sinai yesterday.

Washington is providing the bulk of the troops for the multinational force and observers which is to patrol the Sinai after the final Israeli withdrawal.

Eleven nations including Britain are participating in the exercise. The UK contribution is 35 officers and men to staff the team's headquarters.

Delhi takes over in Kerala

By K. K. Sharma in New Delhi

PRESIDENT'S rule—direct government from New Delhi—was clamped on the key southern Indian state of Kerala last night following the resignation of the Congress (I)—led coalition and dissolution of the State legislature.

The resignation of the 80-day-old government is a major setback for the Congress (I) party led by Mrs Indira Gandhi, the Prime Minister. It came when a single member withdrew his support for the government and removed its tenuous majority.

The development increases the possibility of elections to several states in the next few months, even though Mrs Gandhi's party is in a weak position to contest them.

The country's constitution permits President's rule for six months.

Record oil output forecast

By Our New Delhi Correspondent

INDIA'S Petroleum Ministry has forecast a record production of 20.5m tonnes of crude oil in 1982 and hopes to limit imports to just 14.4m tonnes—over 1m tonnes less than in 1981.

This will mean a considerable saving of scarce foreign exchange for the country whose reserves are falling at the rate of around $200m (£111m) a month and presently stand at about $3.7bn, or about three months' worth of imports.

The reserves have dropped to this critical level despite two instalments of $330m each from the three-year $5.8bn loan from the International Monetary Fund. The fall is largely due to the heavy outgoings of foreign exchange on account of oil imports.

HK property forecast

HONG KONG—Further easing in property values will be seen in Hong Kong before the market consolidates, the Commissioner for Rating and Valuation, Mr Raymond Fry, said yesterday.

He said in a statement that this was likely with the present high vacancy figures and the good supply of new accommodation coming onstream over the next two to three years.

Mr Fry said the Hong Kong Government's 1982 property review, to be published in mid-April, would confirm the downturn of the property market with increased vacancies in all sectors and a general softening of values.

Mr Fry said the process of downturn has been fairly slow, emphasising the underlying strength and stability of the market despite the adverse effect of continuing high interest rates.

Both sale prices and rents have, due to excessive speculation, been pushed to levels that are not sustainable in the more balanced market now obtaining, Mr Fry said.

He said the supply of office space in 1981, at 320,000 sq metres, was disappointing, being some 100,000 sq metres below forecast.

Much of the shortfall is likely to be made up in 1982, with an expected supply of 485,000 sq metres, with a further 576,000 sq metres in 1983 and possibly 500,000 sq metres in 1984.

Reuter

White House rejects budget plea from Senate Democrats

BY ANATOLE KALETSKY IN WASHINGTON

THE CHANCES of a compromise on the 1983 budget between President Reagan and Congress receded yesterday, as Mr Donald Regan, the Treasury Secretary, rejected all the major points in a letter which all 45 Democrats in the Senate sent to the President.

In what appeared to be a hardening of the Administration's position, Mr Regan said there would be "no give" on the President's tax reduction plans and also ruled out changes in the tax-indexing provisions which are supposed to protect the tax reduction plan from being whittled away by inflation from mid-1984 onwards.

Previously Mr Regan had suggested that indexing, which could have a large cumulative effect on budget deficits in the later years of the decade, might be reconsidered by the Administration if Congress opposed it.

Meanwhile the President has repeatedly condemned any modifications in his defence spending plans in speeches to legislators in Alabama, Tennessee and Oklahoma.

Since the Democratic Senators gave no signs of agreeing to either measures to reduce the budget deficit, Congress and Administration appear once again to be on a collision course over the budget.

Republican Senators have been meeting daily this week to try to hammer out their version of a budget compromise. But no consensus has been possible on any of the dozen or more options for spending cuts which have been put forward by the Senate Budget Committee chairman, Mr Pete Domenici.

Even if the Republicans do agree on a series of proposals they are considered unlikely to form a basis for negotiation with the White House unless they can also command some support among Democrats, who are in a minority in the Senate but control the House of Representatives.

The most widely discussed spending cut would involve cancellation of cost-of-living adjustments on social security pensions and other benefits. Neither the President nor Democrats nor Republicans in Congress are prepared to push this proposal unless they are openly supported by both the other factions in the budget debate.

The political cost for any one party of promoting this measure on its own is regarded as catastrophic in an election year.

The Democrats, who at one time appeared to be willing to support cancellation of cost-of-living increases are now moving back from their position. Mr Robert Byrd, the Senate Democratic leader, said that there would be few votes on the Democratic side for this, even if President Reagan initiated the proposal.

Reagan gives way on Watt

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE WHITE HOUSE has backed down over a serious confrontation with Capitol Hill which could have ended in a jail sentence for contempt of Congress for Mr James Watt, President Reagan's Secretary of the Interior.

It will allow the House of Representatives' Energy and Commerce Committee to read seven sensitive documents on the application of Canadian energy policy to U.S. companies which Mr Watt had previously withheld, under White House orders, on grounds of executive privilege.

Committee members have compromised by agreeing not to copy the documents or show them to staff and to hand them back after four hours.

In an important test of the Administration's accountability to Congress, the committee voted two weeks ago to cite Mr Watt for contempt for failing to provide the subpoenaed material. If the full House had upheld the vote, Mr Watt would have faced trial in a U.S. district court, or arrest and trial by the House itself.

Conviction carries a fine of up to $1,000 or a jail sentence of up to 12 months. Mr Watt has said that he would be prepared to go to jail on such an important issue of principle.

The White House decided to compromise when it realised that there was a serious chance that the contempt citation against the unpopular Mr Watt might pass on the House floor. "We don't want the confrontation," Mr Fred Fielding, the White House counsel said. He added that the agreement should not be seen as setting a precedent for either party.

Mexican Finance Minister chosen for poll run-up

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S NEW Finance Minister, Sr Jesus Silva Herzog, who replaced Sr David Ibarra on Tuesday, is expected to bring keener political acumen to the job than his technocratic predecessor.

Observers believe this is the main reason for the change. The Government faces a tough last year in trying to implement its unpopular stabilisation programme, which followed last month's 40 per cent devaluation of the peso.

Sr Silva Herzog, the former deputy Finance Minister, has a political as well as a solid financial background unlike Sr Ibarra.

He is also a close associate of Sr Miguel de la Madrid, the presidential candidate of the ruling Institutional Revolutionary Party (PRI), who will almost certainly be Mexico's next President.

The new Minister worked in the Bank of Mexico and also headed the Government's housing agency, Infonavit, where he came into close contact with trade unions.

The unions are becoming increasingly restless. For the past nine days trade union leaders have been holding inconclusive discussions with the private sector and Government over wage increases to take account of the inflationary impact of devaluation.

Agreement hopes rise at Law of Sea conference

BY DAVID TONGE

HOPES of saving the Law of the Sea conference in New York rose again yesterday as Western countries set out to bridge the gap between the U.S. and the Third World

"It is a question of who presents compromise proposals and when," one delegate said yesterday. Western countries believe that the developing world's rejection of the Reagan Administration's demands for 230 changes in the nearly-completed text was moderately phrased.

On Tuesday Sr Alvaro de Soto, for the developing countries, said the U.S. proposals could not provide a basis for negotiations.

Sr De Soto also said that developing countries were determined to conclude the convention by the end of next month, as had been agreed by the conference last August. But most Western countries are now insisting on the need for a generally acceptable treaty involving the U.S.

New York battle to save theatres from bulldozer

BY DAVID LASCELLES IN NEW YORK

Environmentalists, famous actors, theatre producers and plain New Yorkers are girding themselves for one final battle in the latest of New Yorker's many wars to spare parts of the city from the bulldozer.

The goal of this particular struggle is to save two old Broadway theatres, the Morosco and the Helen Hayes, which are unfortunate enough to stand in the way of a massive futuristic hotel to be built by Portman Properties, the Atlanta company whose soaring cylindrical creations already grace, or mar, depending on what your point of view, many U.S. city centres.

The protesters suffered a serious setback this week when New York state's highest court refused to hear an appeal to delay demolition of the two theatres. Their only hope now lies with the U.S. Supreme Court which has already issued an order to prevent the start of demolition until the protester's case can be heard. That could happen next week.

The theatres are not Broadway's biggest, best or most famous. They are old and small, but that is precisely why the protesters care so passionately about them.

But the protesters are fighting strong odds. The city is keen to clean up the area round Times Square and 45th Street where the theatres stand. Though the centre of the Broadway entertainment district, it has become distinctly unglamorous, a seething centre for vice and cheap amusement.

U.S. sees Nicaragua as key to peace

BY ANATOLE KALETSKY IN WASHINGTON

THE POSSIBILITY of any real progress in negotiating peace between the Duarte Government and the guerrillas in El Salvador is being viewed sceptically by the Reagan Administration, despite the recent flurry of excitement about the prospect of involving Nacaragua in any talks.

Mr Alexander Haig, the Secretary of State, has stated repeatedly that the assistance which Nicaragua allegedly provides the guerrillas is a stumbling block. The U.S. believes that without this help the war could be brought under control fairly readily.

The whole of the FMLN guerrilla army is believed to consist of at most 5,000 men permanently under arms, plus 5,000-10,000 armed sympathisers who can be brought in and out of crucial battles. Without the command structure and safe havens allegedly maintained in Nicaragua, it is reckoned that the disruption could be contained if not eliminated altogether.

This State Department orthodoxy is echoed by the U.S. Ambassador in El Salvador, Mr Dean Hinton. He predicted this week that the war would "improve" later this year "unless there is even more outside support for the guerrillas."

But while the main thrust of U.S. policy is to convince the American public and the world that Nicaraguan support for the guirrellas must be needed there are real doubts elsewhere in the Administration, and particularly in the Pentagon, about the chances of the guerrilla war fizzling out even if that happens. Certainly the military rule of thumb that a guerrilla war can only be won by a government which enjoys a roughly ten-to-one military superiority militates against the State Department position.

State Department officials are aware that Nicaragua would not accept a non-aggression pact with the U.S. and its neighbours if this required the Sandinistas to stop supporting liberation forces in another Latin American country.

Such a pact, along with a resumption of U.S. aid, has repeatedly been offered to the Managua government since last summer, officials say, and the Sandinistas rejected it on the ground that they could not cease offering at least "moral support" to brother revolutionaries.

The Nicaraguans are said to have conceded that this "moral support" includes, at the very least, provision of safe havens and command centres to liberation movements.

On the prospects of negotiations over El Salvador, Washington rejects any form of power sharing between representatives of the guerrilla movement and the government of President Duarte. But it would be prepared to guarantee the right to "political participation" for left-wing forces after a ceasefire.

This could entail some kind of protection, perhaps by an international force, for political parties campaigning in any new election which may follow the March 28 poll in El Salvador.

U.S. officials point out that this poll will only elect a "constituent assembly" whose main task will be to draw up a new constitution. They also say that wider participation is not ruled out, so that, if President Duarte emerges strengthened from the election, he could invite left-wing forces into his government in exchange for a ceasefire.

The U.S. believes that it could control the extreme right-wing elements in the army which would oppose any compromise with the Left, provided moderate left leaders could control the guerrillas.

For the moment, however, U.S. policy is directed at strengthening the Duarte Government and trying to ensure a large turnout in the election. President Reagan yesterday sent Congress to an aid and trade package to meet what he called economic disaster and violent subversion facing the country and other countries in Central America and the Caribbean. He was signing legislation backing the Caribbean Basin plan which he announced on February 24.

The President said El Salvador's Government was in desperate economic straits, needed help to fight the guerrillas, and would receive $128m in additional economic aid this year if Congress approved the package.

Mr Haig . . . Managua the stumbling block.

Mexico aims at Washington-Cuba deal

THE HUB of the present negotiations to bring peace to Central America, lies, in the Mexican view, in some agreement, between Washington and Havana, Hugh O'Shaughnessy, our Latin America correspondent writes.

President Lopez Portillo and his advisers, who arranged a secret meeting in Mexico City in November between Mr Alexander Haig, the U.S. Secretary of State, and Vice-President Rodriguez of Cuba, are cautiously hopeful that such a thing is possible. It could offer the U.S. some diminution of Cuban activities in the Caribbean while the Castro Government could see some relief from Washington's pressure on the island's extremely vulnerable economy.

Seen from Mexico and Central America, Washington's barrage of allegations that Nicaragua is masterminding Salvadurean insurgency belong more to the realm of black propaganda than to the world of reality.

The U.S. diplomatic offensive against the Nicaraguan Government is understood to be bound up with the Reagan Administration's fears about the outcome of the Salvador elections to which it has committed much diplomatic support and logistical assistance. If, as now seems likely, the poll turns out to be widely boycotted and disrupted then Washington and the Duarte junta in El Salvador will have a whipping boy conveniently to hand in the form of the Nicaraguan Government.

Mexican efforts are therefore being concentrated on working out some sort of modus vivendi between the U.S. and Nicaragua and getting the Left and Right in El Salvador round the negotiating table.

A modus vivendi between Washington and Managua would, in the Mexican view hold off any further radicalisation of the Nicaraguan Government and allow the Nicaraguans to halt their defensive build-up.

Mexico has never shared Washington's faith in elections in El Salvador and wishes to prepare the ground for talks between Left and Right which it is convinced are inevitable.

WORLD TRADE NEWS

Co-production deals are paying off, writes Colina MacDougall

Chinese mini-boom for UK groups

THE MIRAGE of China's billion-dollar import potential, which arose in the heady years after Mao'a death, may finally have faded, but some British companies are doing nicely out of less ambitious packages.

Compensation trade—involving arranged huy-hack deals—together with co-production and assembly and fancy kinds of barter are witnessing a mini-boom. China wants new technology but cannot pay cash for it and so is welcoming other sorts of deals.

Even some U.S. companies, such as Nike, the upmarket sports sboe manufacturer, have turned to production in China. Nike bopes to have a quarter of all its output made in China by 1985.

With an eye to the long-term future, Hong Kong-based companies, in particular, want to generate Chinese goodwill hy volunteering co-operation.

"An office in Hong Kong is almost essential," said one London-hased trader. "We really couldn't have run our China operation without Hong Kong staff, who wera well plugged into the provincial bureaucracy in Cuandong. Flexihility is the name of the game, and there'a lots of that in Hong Kong."

"Vickers or GEC may be big enough to stay in the China husiness, making regular trips there, but middle-sized companies would do much better to work through Hong Kong," said another.

"Profitable scope for co-production deals with China is considerahle,especially in industries like small-scale electronics or garments," said a third. "When labour costs in the West are high enough to make the product uncompetitive, one answer is to carry out the assemhly process in China."

To cope with the frequent Chinese reluctance to pay cash, three- or four-cornered deals are a regular feature. In one instance, the UK-based Chan Brothers supply British fish-filleting equipment to Fujian province in the South East, ship the fish to China from the Soviet Union and Poland, take the fillets hack and sell them to North America and western Europe.

‘Profitable scope for co-production deals with China is considerable, especially in small-scale electronics or garments. When labour costs in the West are high enough to make the product uncompetitive, one answer is to carry out assembly in China.’

More conventionally the Swire Group, best known for its shipping, aviation and property business in Hong Kong, has gone cautiously into cassette assemhly in China. It previously nwned a cassette plant in Hong Kong, selling the outpnt rhrough department atnres in the U.S.

Three years ago, when the Cbina trade rush was in full swing, it occurred to Swire that it could keep its costs down by assembling in Canton. Swire designed the factory and provided equipment and raw materials. The Chinese laid on the power, labour and management. Swire takes all the *output, which it* sells alongside its Hong Kong production, mainly in the U.S.

An initial quality problem was ironed out, and output is now running at ahout 1.5m units a month. Two more, similar plants arc now heing set up, in Peking and in Hubei province, in central China.

More ambitiously, using experience gained in a massive housing project at Taikooshing in Hong Kong, Swire is launching a property development in Canton. Tbe municipal authorities have cleared an 18-acre site in central Canton, for which Swire has proposed an 18-hlock plan—half the blocks to rehouse locals and half for sale by the group to overseas Chinese who want homes for their relatives in China or a place to retire to.

Swire is putting up the front-end money to build the scheme in stages (two blocks at a time, one for Canton and one for sale abroad to generate funds for the next round of investment), and it will get an agreed percentage of the profit.

Thorn-EMI-Ferguson have also set up a colour television assembly deal witb China, which it expects eventually to be worth several million dollars. One difference is that the ontput is intended mainly for sale within China. In June, 1980, Thorn aigned a deal witb a Hong Kong company, Promoters Ltd (HK) to assemble its TX9 aet in Hong Kong. Last October, it will get an agreed percentage to set up a plant at Nanhua, near Canton.

Thorn has provided the equipment (the last batcb will be *shipped out next month*). Initially, it will supply the parts, but as time passes the Chinese input will grow. Thorn will be paid in cash by Promoters Ltd, whicb is then recompensed by the Chinese.

Half the plant's output will be sold in China. Another third will be bought by Hong Kong residents through a voucher system for their relatives in China, thus earning China valuable foreign exchange.

The British oil and minerals group, KCA International, through a subsidiary in Hong Kong, has put together a classic compensation deal. A $3.3m mill for grinding baryte—a drilling additive—at Wuchow, in Cbina's south-western province of Guangxi, supplied by KCA subcontractors, is in production after a 14-month construction period. The mill is small hut has already given KCA an opening to work with BP in exploratory drilling in the south Yellnw Sea.

Under the agreement, signed with the *Guangxi* branch of tbe China National Minerals and Metals Import and Export Corporation, payment is to be in baryte over two years, with concessionary rights over 10 years. Mill output will be 120,000 tonnes a year. Initially, KCA will sell wherever there is damand, but the mill's proximity to the South China Sea may make it a source for Peking's offsbore oil industry.

There are *other* cases where a proposed arrangement bas been called off, sometimes at the last moment. Yet the modest success stories are common enough now for companies who want a China foothold to take heart and pursue the mysteries nf co-operative ventures or buyback trade.

Arguments delay start of Unctad talks

By Brij Khindaria in Geneva

PREPARATIONS for major North-South negotiations sponsored by the UN Conference on Trade ond Development (Unctad) have come to a standstill because nf arguments over themes tn be discussed and where the *talks wonld* be beld.

Gabon, which earlier said it wonld bost the conference, tn take place in June 1983 at Libreville, withdrew the offcr citing unacceptably high costs. *It* said arrangements wonld cost $130m and take two years to complete.

An invitation from Cuba to host the conferenec has been rejected by the U.S. as well as several other industrialised and develnping countries. If no foreign site is found for the talks, they will be beld in Geneva.

The conferencc is tn hc the sixth in a series of North-*South negotiations* called by Unctad every *three* years.

Mr Gamani Corea, the Unctad secretary-gencral, has suggested five main themes for the conference—a study of links between falling growth rates, inflatinn and unstable money markets; ways to expand world trade; ways of inereasing foreign aid; the role of shipping, technology transfer and commodity exports in Tbird World economies, and ways to inerease co-operation among developing countries.

While supporting the need for a conference, the U.S. sees those suggestions as heing too far-reaching. It wants the talks to be restricted to trade and development issues within Unctad's sphere of competence.

Preparations for the conference are being made in Unctad's policy-making Trade and Development Board which includes both rich and poor countries. Because of the impasse, Unctad 6 is now expected to be little *more* than an occasion to take stock of the past withont starting new initiatives in North-Sonth co-operation.

UK wins bigger share of West German trade

BY KEVIN DONE IN FRANKFURT

BOOSTED by rising crude oil deliveries, the UK is gaining a growing sbare of West German trade and increased the value of its exports to the Federal Republic last year to DM 27.4bn (£5.9bn) compared with DM 22.8bn in 1980.

West Germany is the UK's most important single export market and in 1981 British goods accounted for 7.4 per cent of all West German imports compared with a share of 6.7 per cent a year earlier.

Excluding crude oil exports—the UK is West Germany's second most important oil supplier after Saudi Arabia—Britain's performance is less impressive.

But without oil, it still acounted for 5.4 per cent of West German imports compared with less than 4 per cent in 1972—the year hefore the UK joined the European Community.

The value of total West German imports increased by 8.1 per cent to DM 369.1bn last year, while the value of imports solely from the UK jumped by 20 per cent, helped by bigher oil prices, and the weakness of the D-mark against the U.S. dollar, the oil trading currency.

The UK supplied 15.9m tonnes of crude oil to West Germany last year — 20 per cent of total German crude oil imports — an increase of 9 per cent, despite the dramatic overall fall of 18.7 per cent in the volume nf West German crude oil *imports* in 1981.

As a result of oil exports, Britain moved into a positive trade balance with the Federal Republic last year with exports nf DM 27.4bn compared with imports from West Germany worth DM 26.2bn.

The UK ranks fifth as a market for West German goods after France, the Netherlands, Italy and Belgium/Luxembourg. Helped for much of the year by a weak currency, West Germany managed to boost its exports to the UK by 14.2 per cent slightly above an overall rate nf growth in exports of 13.3 per cent.

Apart from oil deliveries, the major improvement in the UK export performance to West Germany was in the sale of manufactured goods.

Machinery exports and electro-technical products showed only marginal declines, despite the recession in the West German economy, while the UK hoosted the value of motor vehicle sales to the Federal Republic by 25.9 per cent to DM 2bn.

Norway may turn to UK for missile systems

OSLO — Norway may turn to France or Britain to buy missile systems because the U.S. Pentagon has twice exceeded deadlines for producing a price and delivery time for American Hawk missiles, a Norwegian Defence Ministry spokesman said yesterday.

"We wanted to buy at least 100 Hawk missiles to modernise the defence of our airports. We set two deadlines for the Pentagon to come up with a price offer and estimated delivery time, but have got no reply," said Mr Erin Senstad, a Defence Ministry official.

The two deadlines which expired were "hefore last Christmas" and "in the middle of January." The Defence Ministry initially wanted to buy at least four missile systems, each consisting nf 27 missiles, he added.

● Danish companies have won an order worth $40m (£22m) for the *complete furnishing* of 5,700 one-family houses in a large-scale Saudi Arabian housing development.

Agencies

Rees discounts textile import fears

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

MR PETER REES, Britain's Minister for Trade, yesterday told the UK textile industry that its fear of a 20 per cent rise in imports from low cost suppliers in the developing countries was unfounded. The type of restrictions it wanted were impossible to negotiate, he said.

His speech in West Yorkshire was the latest round in a long-running battle between the industry and the Government about how effective the newly-negotiated extension to the Multifibre Arrangement (MFA) will be in protecting the domestic industry.

The MFA provides a framework agreement for the bilateral negotiations which will be undertaken this year on precise levels of supply for 1983.

The industry had wanted 1980 to be the base year for working out such quotas. The new MFA specifies 1982.

Mr Rees said that textiles trade in 1980 was very depressed and had the EEC demanded 1980 as a base year it would have implied sharp cut-backs and hence a breakdown in negotiations.

The industry's suggestion that the EEC's approach to the bilateral negotiations could lead to a 20 per cent increase in imports from MFA countries over 1980 was "a misleading claim and one which could unnecessarily damage growing confidence in the industry."

He supported his argument by adducing four factors:

● There is always some under-utilisation of quotas;

● The EEC has agreed to obtain cutbacks in 1982 quotas from the four biggest suppliers for the five most sensitive products;

● The EEC will seek to negotiate terms which will prevent the rapid take-up of unfilled quotas;

● Means have been devised to prevent an artificial build-up of imports this year in anticipation of new bilateral agreements.

He warned the industry that there was no chance of further stiffening in the EEC's negotiating terms, concluding that "if the Commission cannot get acceptable terms, then we are committed to leaving the MFA at the end of the year."

John Brown in £50m Oman deal

BY PAUL CHEESERIGHT

JOHN BROWN ENGINEERING of Clydebank is to be the main constructor in a £50m gas turbine power station to be built in Oman. It is the group's biggest turbine contract since it won major orders last year for the Siberia-West Europe gas pipeline.

The Ministry of Electricity and Water in Oman has signed a letter of intent for the contract, it was announced yesterday. The letter of intent has come less than six months after the availability of new power station contracts in the country became known.

Information that a new power station would be required to avoid power shortages in the mid-1980s was gleaned in the first place by Mr Kenneth Baker, Minister of State for Industry, when he led a group of businessmen to Oman last September.

It was agreed between potential UK suppliers and the Government to offer only one British bid. John Brown was chosen on the recommendation of Ewbank and Partners, the consultants sent to Oman to help in writing the technical specifications.

The other UK companies interested in the supply of turbines were CEC and Rolls-Royce.

Overseas groups at one stage in the bidding for the contract were GE of the U.S. and its manufacturing associates in France and Japan, Alsthom-Atlantique and Hitachi, all working independently. John Brown is also a GE manufacturing associate. Another bidder was Brown Boveri of Switzerland.

Financial commitments on the project were made last autumn enabling Oman to be offered export credits at the international rates prevailing before the general rise last November. The interest rate is 8.5 per cent on a loan with a maturity of 8.5 years.

The export credit is being arranged by Morgan Grenfell the London bankers. Morgan Grenfell also arranged the finance for the major construction contract in Oman announced on Tuesday by Cementation International.

Both the Cementation and the John Brown projects have been announced to coincide with the state visit to the UK of the Sultan of Oman.

ECGD backs Cairo steel bridge loan

By Our World Trade Staff

THE EXPORT Credits Guarantee Department has guaranteed the repayment and *funding of* a $12.7m (£7m) loan to the Cairo Government for the construction of steel bridges to ease traffic congestion between Cairo and its international airport.

The loans are being made by the Bank of America's London branch. The bridge contract was awarded to the Cleveland Bridge and Engineering Company unit based in Darlington.

The ECGD also said British companies will be able to receive cash payment for export contracts with buyers in Sweden under a £5m line of credit it is guaranteeing.

The loan is being provided by Barclays Bank International to Skandinaviska Enskilda Banken in Sweden.

● Westinghouse Signals, a Hawker Siddeley company, has won its third major contract with the Mass Transit Railway Corporation in Hong Kong. The deal, worth almost £3.5m, covers supply of equipment.

Japan farmers in protest rally

TOKYO—About 1,300 Japanese farmers held a rally in Tokyo yesterday against liberalisation of agricultural imports demanded by other Western industrialised nations, mainly the U.S.

"We can never allow the (Japanese) market to open wider to foreign agricultural products," Mr Shizuma Iwamochi, chairman of the Central Union of Agriculture co-operatives, told the rally.

He said Japanese farmers should not be sacrificed for unlimited expansion of exports of industrial products under fire from the U.S. and the European Community.

The rally was sponsored by the Central Union and other agricultural federations throughout the country.

A member of the ruling Liberal Democratic Party (LDP) urged the Government, the LDP and agricultural organisations to join forces to protect Japanese agriculture.

In other trade matters Japan and Canada agreed to co-operate in maintaining the international free trade system, and Canada asked Japan to renew its voluntary car export curbs. The agreement was reached in Tokyo between Mr Ed Lumley, the Canadian Trade Minister, and Mr Shintaro Abe, the Japanese Trade and Industry leader.

Meanwhile France rejected Japan's call for the removal of import restrictions on 27 Japanese items, including cars and television sets, during two days of trade talks which ended in Tokyo yesterday.

France said its trade deficit with Japan was too big and unemployment problems were serious in France. France called for another round of talks in the near future. But M Michel Jobert, the French Foreign Trade Minister, told Mr Abe that France was not considering further tightening restrictions against Japanese goods.

Agencies

Italian group wins £17m Soviet order

By Rupert Cornwell in Rome

FATA, the Turin-based engineering group, has won a L40bn (£17.2m) contract to supply the Soviet Union with two completed plants for the production of cardboard boxes for the country's confectionery manufacturers.

The deal, formally signed in Moscow by company representatives and officials of the Russian Prommashimport organisation, provided for 85 per cent of the plant and equipment to be produced in Italy. Delivery is scheduled to be made by the end of July, 1983.

Meanwhile Agip, the oil offshoot of the Eni energy group, has signed an agreement with Ina Naftaplin, the Yugoslav state petroleum agency covering three offshore oil exploration ventures.

Call to stop video piracy through copyright reform

BY JASON CRISP

THE DEPARTMENT of Trade has been criticised by the television and film industry for failing to give a timetable for the amendment of copyright law.

The Video Copyright Protection Society says there is an urgent need to reform copyright law to stem the growth of video piracy.

According to the society, industry research shows that half the video cassette titles now being offered for rental to Britain's 1.4m owners of video-cassette recorders are pirated.

The society's members are the BBC, the Independent Television Companies Association and the Society of Film Distributors. The society has written to Mr Reginald Eyre, Under Secretary for Trade, expressing concern at Government delay in reforming copyright law.

In July the Government published a Green Paper on copyright law. The paper was published about four years after a report by a committee headed by Mr Justice Whitford. When the Green Paper was published the Government invited public comment and the society now wants the Government to give a date for concluding the debate and estimate a date for a new Copyright Bill.

Mr Peter Lord, the society's chief executive, said: "We are being ripped off by video pirates. We want something done by this Government not the next one."

The society says broadcasters favour a levy on video hardware and software to compensate copyright owners whose interests would be damaged by home recording if it were regularised.

The society acknowledges that it would be impossible to police or stop home recording. It adds: "From a legal standpoint, it is highly undesirable that copyright law should be infringed by recording more often than it is observed."

The government Green Paper rejected proposals to impose a levy on audio and video cassettes and equipment on the grounds that it would be inflationary—it would double the price of a cassette—and would be easily avoided by importing through mail order or through selling prerecorded tapes with rubbish on them.

The society says it is surprised at the Green Paper's complacent assertion that video-records do not represent a threat to producers of pre-recorded cassettes. It says home coying is increasing.

The report says there is an immense profit to be made from selling or renting video cassettes which have been illicitly copied, "thus avoiding all cost of production of the original material."

It says: "This profit can only be made to the serious detriment of the film and television industry. Unless pirates are effectively checked investment will decline and jobs will be lost.

"Copyright owners and licensees are therefore dependent on the process of laws to sustain their business. The trade unions whose members are engaged in the film and television industry will likewise confirm that piracy is a matter of great concern to them."

BL single sourcing move may affect Armco jobs

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE REPERCUSSIONS of BL's decision to buy more of its car components from single sources continue to reverberate around the UK components industry.

BL's volume car division, Austin Rover, has decided to buy all its brake piping from TI Fulton, a Tube Investments offshoot.

As a result Armco, which previously shared the contract, has told union officials at its Letchworth, Hertfordshire, plant that up to 100 of the workforce of 300 could be affected by the decision.

Armco, a subsidiary of the U.S. group, refused to discuss the issue but it is known the company hopes to win a Ford contract which would take up some of the slack.

Austin Rover said: "We decided to buy brake piping from a single source because we can get substantial cost benefits and other commercial advantages. The matter was fully discussed well in advance with both companies."

The award of another Austin Rover contract has apparently removed the threat of redundancies from the Smiths Industries factory at Oxford. Smiths won the heater assembly contract for the LM10, the medium-car range BL is to launch next year. Ironically, competition for the work came from one of BL's own subsidiaries, SU Butec.

Austin Rover has still to make a decision about the single sourcing of car batteries. Competing for that contract are Lucas and Chloride. Lucas has already given a warning that if it does not win the battle it could have serious consequences for the factory at Sparks Hill, Birmingham.

ICI may cut 130 jobs at soda ash plant

By Martin Dickson

IMPERIAL Chemical Industries is considering capacity cuts at its soda ash plant in Wallerscote, Cheshire, which could mean the loss of 130-160 jobs.

The company said yesterday that talks were still being held with unions, and a final decision would be made at the end of the month.

ICI is Britain's only producer of soda ash, an important raw material for the glass industry, and has the capacity for 1.7m tonnes at three Cheshire plants—Wallerscote, Lostock and Winnington, employing 2,200 people.

However, the recession and rising U.S. imports, have cut British demand. The company sold only 1.1m tonnes last year.

It is therefore considering a capacity cut of some 200,000 tonnes at Wallerscote,

Share fishermen in new pension plan

BY ERIC SHORT

ABOUT 900 share fishermen based in Grimsby will benefit from a new pension scheme set up by the Grimsby Fishing Vessel Owners' Association in conjunction with Save and Prosper Pensions.

The fishermen are taxed as employed persons on schedule E, but classified as self-employed by the Department of Health and Social Security. The nature of their employment, working from various boats and sharing the profits from each fishing trip, explains this apparent anomaly.

This means, however, that they qualify only for the basic flat rate state pension. The new scheme will provide the earnings-related pension.

The association will pay 5 per cent of members' earnings up to the state scheme ceiling for National Insurance contributions—at present £200 per week. Life cover of twice members' annual earnings is also provided—a benefit not included in the state pension scheme.

The men can make extra payments to the pension scheme or increase their life cover. The contributions are invested in S and P's Managed Pension Fund, which provides a guaranteed minimum pension.

Save and Prosper, primarily a unit trust group, sees the pensions field as one of its main growth sectors in the next decade. It intends to market actively for certain company schemes, as well as self-employed and executive pension plans.

Coopers & Lybrand appoint new chief

BY DUNCAN CAMPBELL-SMITH

COOPERS AND LYBRAND, one of the largest accountancy firms, has appointed a new senior partner. He is Mr Brandon Gough, 44.

Until recently Mr Gough was chairman of the committee responsible for accounting and auditing developments in the whole of the Coopers & Lybrand international group. He joined the firm in 1964 having qualified with his father's family firm.

Mr Gough will succeed Mr David Hobson, the senior partner, in April 1983. Mr Hobson has headed the firm since 1975 and will stay a further year, in a non-executive role.

Mr Hobson said yesterday that an early announcement of Mr Gough's appointment would allow any necessary adjustments to be made.

The appointment entails chairmanship of the UK firm's executive committee. This gives effective overall responsibility for a partnership comprising 167 partners and 3,000 staff.

Mr Gough will also take up one of the firm's two seats on the international executive committee of the Coopers & Lybrand group.

He became chairman of the accountancy profession's Auditing Practices Committee last autumn. He spent most of his time on the practice side of auditing, after becoming a partner in Coopers in 1968, and from 1976 supervised the firm's audit technical work.

Mr Hobson said this practical experience of different parts of the firm's work would be invaluable to his successor.

Coopers & Lybrand has been a major force in the insolvency market since establishing Cork Gully as a sub-partnership in July 1980.

NCCL rallies forces in contempt case

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A TWO-PRONGED attack is being made by the National Council for Civil Liberties and its supporters against the recent decision of the House of Lords to uphold a contempt of court finding against NCCL's legal officer, Ms Harriet Harman.

In Parliament Mr Christopher Price, MP, is trying to get an adjournment debate on the operation of the Contempt of Court Act, which would include consideration of the effects of the Law Lords' majority ruling.

Mr Price is particularly concerned about the effect on NCCL of the order that it must pay about £25,000 in legal costs. He regards it as wrong that NCCL should have to bear the expense of an important test case.

Ms Harman, meanwhile, is preparing to appeal to the European Court of Human Rights in Strasbourg—fortified by the powerful joint dissenting judgment in her favour by Lords Scarman and Simon.

The majority decision of the Law Lords was that Ms Harman was in contempt of court for showing a journalist confidential Home Office documents after they had been read out in open court in a case in which she was acting as solicitor for a former prisoner suing the Home Office.

The two dissenting Lords suggested that not permitting a litigant and his solicitor the same right as everyone else to treat as public knowledge documents that had been read out in open court might be inconsistent with Article 10 of the European Convention on Human Rights, which guarantees freedom of expression to all.

NCCL says that the costs imposed by the Law Lords' ruling has put it in a serious financial position. It has appealed for funds to pay off the £25,000 and to fund the Strasbourg appeal.

Reject tyres 'sold as premium'

BY JOHN GRIFFITHS

THOUSANDS of reject high-performance tyres, many downgraded by their Continental manufacturers to 15 mph for agricultural use only, are being sold each year to unsuspecting UK motorists.

This is the conclusion of an investigation by Drive, the Automobile Association magazine, which found that the de-rating marks on such tyres are being removed or altered before they are sold.

In one case, tyres which broke up after the Rubber and Plastics Research Association subjected them to a simulated 93 mph for 20 minutes, were found to be part of a batch of 10,000 sold to Iran for donkey carts. Instead of going to Iran, they wound up at an Italian motor factor, and were then sold to Britain as premium quality items.

UK tyre makers and official importers of main Continental brands destroy all sub-standard tyres except those with purely cosmetic faults.

But this is not the case with Continental dealers, and there is in any case a genuine demand, particularly in Third World countries, for cheap tyres for agricultural use which the rejects can fulfil.

The crux of the problem appears to be that tyres are an internationally traded commodity which can pass through many intermediaries.

Dunlop identified West Germany as one source of the problem because of the frequency of cross-frontier deals. Italy and Ireland were also cited as centres for the removal of de-rating marks.

Both the Institute of Trading Standards Administration and the National Tyre Distribution Association are calling for a ban on the import of sub-standard tyres.

Grantham's freewheeling type of museum

Michael Strutt visits a collection of transport from a less streamlined age

WHEN Ray Fixter goes for a spin on his bicycle people stop and stare. His machine is a 100-year-old "Penny Farthing," one of a number of early bicycles that he owns which form part of the collection of the National Cycle Museum at Belton House, Grantham, where he is curator.

The Penny Farthing—or High Ordinary as they were known in their heyday—still performs well, Mr Fixter says. "Modern bikes have the advantage on hills because they have gears, but on the flat I can leave them behind when I get up a good speed."

Quadricycle rarity

All the bikes in the museum are still in good working order—and ridden regularly, he emphasises. The object is to provide a "living museum" where visitors can see the machines at their best and watch them run.

The collection is still being put together and so far consists of about 100 bicycles, of which about 60 are on display. Some are rarities, such as the late 1860s quadricycle which is steered by the back two wheels and is believed to be the only one of its kind.

At the other extreme is a 22-seater built recently by industrial apprentices and given to the museum by a London store. It is claimed to be the longest cycle in the world.

Another extraordinary machine is the Humber Eiffel Tower, produced in Nottingham in 1905 for daring riders to show off on. It has normal-sized wheels but the saddle is a giddy 12 ft above the ground. "Helpers can hold the machine to get you started but to stop you have usually to find a telegraph pole or high wall," says Mr Fixter, who bravely rides it.

He persuaded Grantham's Mayor, Mr Joe Flatters, and his wife, Una, to learn to ride a couple of the exhibits. Mr Flatters spent a tricky 10 days last summer mastering the art of riding the penny-farthing.

Mr Fixter, a professional pilot and businessman, conceived the idea of the museum after buying a Penny-Farthing and learning to ride it seven years ago. Tourist authorities are showing an interest, he says, and machines are being lent from other collections—with more promised.

Problems with finance

A big problem is finance, and it has proved difficult so far to attract the backing Mr Fixter would like from British industry—though foreign sources have shown more interest.

Ideas abound. An international rally last August brought a number of riders and their machines from overseas and there is a willing team of riders who turn out and give the bicycles an airing, he says.

"We aim to keep a turnover of exhibits and eventually, about five years ahead, we would like about 500 machines here. There is no doubt the museum is here to stay."

Hugh Routledge

Mr Joe Flatters and Mrs Una Flatters with two of the museum's penny-farthings.

Commercial Court judges to introduce stricter demarcation

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE POPULARITY of the Commercial Court, reputed to hear and dispose of cases rapidly, has necessitated introduction of a more stringent vetting of cases brought before it.

Only those cases needing the special expertise of a Commercial Court judge will now be listed.

The facts that a party to a case is a bank, shipping company, insurer or commodity trader, or that an action is for breach of contract for the sale of goods, does not necessarily mean the case is appropriate for the court, says Mr Justice Parker, the senior Commercial Court judge.

If a case concerns a fraud, or a quality dispute in a sale of goods case, it will now go to a non-commercial judge of the Queen's Bench Division of the High Court.

The pressure on the court stems from a period several years ago when, because there were fewer cases with a genuine commercial element, the court extended its net to help other judges.

The situation is such now that would-be Commercial Court litigants must justify cases taking the court's time.

The Commercial Court's collective memory contains an example of how wide the commercial net can be stretched.

Years ago a judge hearing commercial matters was asked to bear a breach of promise dispute. He could not understand how such a case could require his expertise. "Well, my Lord," said counsel, "one of the parties is a ship-owner."

Unwrapping the aims of Callard purchase

The U.S.-based company Beatrice still sees scope for growth in Britain's sophisticated sweet market and may be wanting to establish its name as a food manufacturer, writes David Churchill

BEATRICE FOODS, one of the largest food companies with worldwide sales of naarly $9bn (£4.9bn), is gradually extending in the UK confectionary market.

This week it paid £4m cash for the Callard and Bowser Nuttal sweet company — makers of Nuttall Mintoes — which had been owned by the Arthur Guinness brewers.

The move adds Callard to Smith Kendon, a 200-year-old family-run upmarket confectionery business that the U.S. based Beatrice bought five years ago.

The acquisition is minute in terms of the £2bn a year UK confectionery market, but typical of Beatrice's decentralised approach.

It is in most food — and some industrial — markets throughout the world, but especially Latin America and Australia. In confectionery and snack, which in 1981 had sales of $602m, some 55 per cant came from its international activities.

Beatrice's involvement in the UK — one of the world's most sophisticated and mature food markets — has been tiny because the company has sought faster growth in developing countries.

Its philosophy has been to find small growth areas and expand into these by acquisition. Its purchase of Smith Kendon is explained by the fact that although Britons eat more confectionery per head than in any other country — Beatrice was aware there were parts of the market that still either showed growth or were ripe for development.

Beatrice is believed to ba interested in expanding in the UK to establish its name as a food manufacturer. It does not appear to he interested in the high-volume food producers which are subject to pressures of consumer demand and retail strength. Instead, its aim appears to be to find high-quality areas undermanaged.

Such an opportunity was presented with Callard and Bowser. With its toffees, it has secured a niche at the top of the market for more than a century.

Guinness, which has been trying for some time to rationalise its non-brewing interests, was seeking a buyer for the toffee business.

Mr Haydn Williams, Smith Kendon's chairman and managing director, said that when be realised Callard was up for sale, he let the Beatrice management know at its Chicago headquarters. Beatrice and Guinness discussed a takeover for over four months before the daal was finalised.

Mr Williams hopes an injection of new management ideas and resources will bring Callard back into profit within the next year to 18 months. Beatrice is unlikely to become too closely involved in running the company. It prefers to let its operating companies exist as separate profit centres.

Callard and Bowser la perhaps fortunate in not being involved in tha high-volume end of the ronfectionery business, dominated by Cadbury Srhweppes, Rowntree Markintosh and Mars. This has suffered badly from the recession and the fact that chocolate consumption in the UK is so high.

Confectionery salea have also been hit by the fast-growing snack food sector which has been given heavy advertising support.

Children, who consume about 40 per cent by value of confectionery, have found that lower price snack foods—such as Hula Hoops—give them more for their mooey than dearer confectionery products which have been bit by rising raw material costs.

The chocolate manufacturers have been fighting bark with special promotions, extensive advertising, and smaller—therefore cheaper—products.

Mnch depends on what happens in the next few weeks. Easter egg sales are one of the peak sales times after Christmas. Early indication from retailers is that sales have yet to take off, although it has been normal in the past few years for demand to spurt in the week or so before Easter.

Soya meal shipper feared prejudice

By Raymond Hughes, Law Courts Correspondent

ONE OF the largest shippers and sellers of soya bean meal felt there might have been prejudice against it at Grain and Feed Trade Association arbitrations in which it bad been involved since the U.S. soya bean export embargo was imposed in June 1973, an Appeal Court judge said yesterday.

The court bad been told that, since winning a test case in the UK courts in 1978, Bremer Handelsgesellschaft GmbH Hamburg felt it bad been singularly unfortunate in the findings made against it in a number of cases, in many of which it had had to pay heavy damages.

Lord Justice Kerr said it would be unfortunate if a particular party, which had figured in many of the GAFTA arbitrations, should feel a sense of injustice.

Bremer was possibly the largest shipper and seller of soya bean meal for the U.S. for June 1973, and had inevitably been placed in a vulnerable position.

The present case was said to be the thirtieth to coma before the courts as a result of the embargo. Lord Justice Kerr said he would have expected the majority to bave gone against sellers.

The facts relating to the embargo made matters particularly difficult for sellers. They were also faced with the difficulty of bringing themselves within two clauses of GAFTA form 100, one providing for cancellation of a contract where export had been prohibited, the other dealing with "force majeure" events extending the shipment period.

That combination might well give shippers and sellers the impression their difficulties were as great as trying to hold water in a sieve, said the judge.

However, it was inevitable given the strict approach adopted by English law to the interpretation of commercial contracts.

It followed that arbitrations were liable to result in awards for buyers, and that in a situation of a phenomenal rise in the market price by the middle of July 1973—with an almost equally steep fall thereafter—the financial consequences for shippers and sellers would be severe.

The court dismissed Bremer's appeal against an award in favour of Raiffeisen Hauptgenossenschaft Kiel.

Less workload for surveyors

CHARTERED quantity surveyors reported less work in hand during the fourth quarter of 1981. A survey by the Royal Institution of Chartered Surveyors shows 39 per cent of firms reported less work, against 29 per cent in the previous quarter. Those reporting more work dropped from 22 to 17 per cent.

The slow improvement in the first nine months of 1981 halted, with activity falling to the level of tha second quarter.

Chairman of Ferranti defence group resigns

BY JASON CRISP

MR SEBASTIAN de Ferranti, chairman of Ferranti, the defence and electronics group founded by his grandfather, resigned yesterday as both chairman and director.

The company said be wanted to devote more time to the arts, running his father's estate in Macclesfield and preservation of the English heritage. Mr de Ferranti, 54, had worked for the company for nearly 20 years.

He is to be succeeded as non-executive chairman by Mr Basil de Ferranti, 51, his brotber, who is deputy chairman. Mr Basil de Ferranti, who was Tory MP for Morecambe and Lonsdale between 1959 and 1964, was elected to the European Parliament in 1979 representing Hampshire West.

In 1971 Ferranti ran into financial difficulties which reached a crisis when the National Westminster Bank refused to extend its overdraft. It was rescued by the National Enterprise Board with a £15m package which gave it 62.5 per cent of the equity. The Ferranti brothers were left with a substantial shareholding.

The NEB holding was reduced to 50 per cent in 1978. In July 1980 the majority of its holdings were placed with institutions in the City and Scotland which undertook not to trade in the shares for two years. There has often been speculation that another electronics company, such as GEC, Racal or Plessey, might bid for Ferranti.

The company has been run by Mr Derek Alun-Jones, managing director since 1975, who is credited with a considerable turn-round in its fortunes.

The Ferranti brothers' shareholdings have been reduced substantially and both were non-executive directors, but they still had a significant influence on the company.

Some City observers thought Mr Sebastian de Ferranti may have resigned because he was over-ruled by the rest of the board about the future of some of the company's beavy engineering activities.

More than half of Ferranti's £271.5m turnover in the year ending March, 1981, was in defence systems. In that year profits rose to £18.1m compared with £11.2m.

Ferranti has had considerable success producing a specialist microchip—called an uncommitted logic array (ULA)—which gives a low-cost custom-built chip. It leads the world in this technology, although it is being chased by some of the largest U.S. semiconductor manufacturers.

New Zealand-London air service date set

BY LYNTON McLAIN

AIR NEW ZEALAND is to start its first scheduled air service between New Zealand and London in August, the airline announced in Auckland and London yesterday.

The first flight of the through-service will leave Auckland on August 25 and the inaugural service from London will leave on August 26, subject to final agreement between tha two governments.

"The inter-government air services agreement between New Zealand and Britain should soon be in place." Mr Norman Geary, the airline's chief executive, said in Auckland.

In London, Mr Richard Gates, regional manager of the airline for Britain and Europe, said the venture waa "a rather large step for the an airline the size of Air New Zealand to take."

The airline is confident that its proposed 28½-hour flights between London and Auckland will be a success.

"It will be the fastest air link between the two countries, flying over the most exotic routes in the world." Mr Gatea said. The service will be the only one between Britain and New Zealand via the U.S.

To and from New Zealand, the service will fly with one stop at Los Angeles, U.S., and one at Papeete, Tahiti. Passengers will not change aircraft.

Traditionally, the airline has restricted operations to the Pacific basin, but tha success of the New Zealand to Britain service, operated through an aircraft interchange agreement with British Airways," confirmed our belief that we should change this strategy," Mr Geary said.

Fares have not been set but the service is expected to be launched with a series of promotional fares.

● Air Europe, the British holiday charter airline, haa signed an agreement with the National Westminster Bank for a 10-year loan of £5m to help finance its purchase of a Boeing 737-200 aircraft. It is the first aircraft bought by Air Europe to be financed by a British bank.

● Heavylift Cargo Airlines yesterday introduced its third Belfast all-freighter aircraft, to add 50 per cent to fleet capacity.

● Cathay Pacific Airways, the Hong Kong based British airline, yesterday refuted a claim by Mr Adam Thomson, chairman of British Caledonian Airways, that no airline on the London to Hong Kong route operated profitably.

SDP would put 'high wage' tax on employers

By Gareth Griffiths

THE SOCIAL DEMOCRATS favour as the key part of their incomes policy an inflation tax on employers who make inflationary wage settlements, Dr David Owen, the party's Parliamentary leader, said yesterday.

Dr Owen told an Institute of Credit Management conference in London that the idea had not yet been "fleshed out." The party welcomed discussions on the idea. Employers who paid above a set level of settlements would be taxed under the proposal.

He ruled out a centrally-imposed incomes policy although an inflation tax meant that governments "would have to fix a figure at which inflation tax begins and that figure seems a sort of norm."

Employers could reward good performance at work through additional issues of company equity which could not be sold immediately.

The equity issue would be a way of preventing the inflation tax becoming a tax on success.

It would be used by governments as a way of preventing the inflationary settlements which traditionally accompanied periods of expansion in the economy.

Dr Owen said the public sector outside the nationalised industries should run its wage bargaining on a system of strict comparability with the private sector. The general level of private-sector deals in the previous year should be used as the basis of public-sector settlements.

Sir Horace Cutler, Conservative Opposition leader on the Greater London Council, told the conference that the rating system should be replaced by a poll tax and charges for services.

MSC warns of continued rise in unemployment

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT'S employment services agency, the Manpower Services Commission, warned yesterday that unemployment would continue to rise this year but would begin to level off next year.

In its quarterly labour market report, the MSC said that seasonally adjusted unemployment would continue to rise in the next few months, though at a slower rate than at present. This would have a greater effect on the number and proportion of the long-term unemployed.

The MSC said that while manufacturers are expecting further labour cuts over the next few months, these will again be at a slower rate than previously.

While admitting there is no immediate prospect of a reduction in unemployment, the MSC said all tha main economic indicators confirm that the lowest point of the recession in output terms was reached in the second quarter of 1981.

Accordingly, prospects for those unemployed for less than three months are less gloomy than they were, the MSC say, since the chances of someone unemployed for less than this period moving off the register have levelled off after falling continuously for more than two years.

However, an MSC survey of 100 employers in the north, employing about 200,000 workers, or about one-sixth of the number in employment in the region, shows that any upturn in the economy is unlikely to mean an immediate increase in jobs.

In particular, traditional apprentice intakes are likely to be substantially reduced, with fewer craft jobs in the future.

The MSC report says: "The most *significant* message in terms of manning levels was that the vast majority of firms bad reduced their labour force as a consequence of the recession, and in manufacturing industries particularly, most believed that any upturn in demand could readily be met without recruiting additional labour in the short term."

Abbey National and bank in inner city aid plan

BY GARETH GRIFFITHS

ABBEY NATIOAL, the second largest building society, is expected to announce details this week of a joint venture with a clearing bank to provide finance for inner-city areas. The bank refused to be named yesterday but the society said an announcement was imminent.

Sir Campbell Adamson, Abbey's chairman, told the Institute of Credit Management conference in London yesterday that the society was discussing the possibility of a joint venture aimed at dealing with both the residential and commercial requirements in these neighbourhoods.

Abbey has been active in making mortgages available in in housing action areas in *the deprived inner-city areas.* It believes such a deal with a clearing bank would enable it to concentrate on residential development and the bank on commercial building lending.

Sir Campbell said that if the scheme was successful it could have widespread application and do much for the environment and economies of those areas.

Tha Abbey's experience of mortgagees in such areas was optimistic. Borrowers were at least as good as any other when it came to making mortgage repayments, he said.

The approach for a joint venture was made to Abbey informally at the end of December. It followed building society criticism that bank lending for home mortgages did not seem to follow any determined policy and that the building societies felt the banks' lending worked against inner-city sites.

Sir Campbell said bad housing was undoubtedly a major factor behind the disturbances last summer. The case for an injection of institutional money and ideas was overwhelmingly apparent.

Both Abbey National and the clearing bank have been encouraged in their efforts by the Environment Department, which is keen to see such institutional investment in areas like Liverpool, Manchester and South London.

Miniaturised oscilloscope makes its debut 'a year late'

BY DAVID FISHLOCK, SCIENCE EDITOR

AN ADVANCED technology British invention that makes it as easy to look at electrical waves as it is to measure voltage and current was unveiled yesterday.

Scopex of Letchworth Garden City, Herts, a small British instrument company, has turned an idea of the Ministry of Defence into a miniaturised instrument that the company hopes will find uses in every laboratory, hospital, factory and garage.

The invention is a battery-operated miniature oscilloscope, which Scopex believes will greatly enlarge the market for oscilloscopes — instruments commonly used to locate faults in equipment and processes — because it is so small and light, and because it can be used safely in hazardous environments such as operating theatres and petrochemical plants.

However, Mr Jim Copps, chairman of Scopex, said that the naw inatrument could have been on the market a year earliar. Its debut had been delayed by the company's difficulties in raising finance for tha project.

At the heart of the new oscilloscope is a flat glass screen of the kind found in digital watches and calculators. However, it uses a liquid crystal display that is unusually large, measuring 10 cm by 6 cm to replaca the television type screen conventionally used in oscilloacopes for the past 50 years.

It is estimated that British research into liquid crystal display in the early 1970s is today earning royalties of about £500,000 a year, chiefly from Japanese products.

The new instrument also has a silicon memory chip which allows waveforms to be stored and recalled and compared up to 100 days later.

The invention began its life at the Royal Signals and Radar Establishment laboratory at Malvern, which spends £750,000 a year on the development of new electronic display technology. Mr Copps said yesterday that his company had spent about £150,000 on tha project over the past four years.

Scopex recently obtained a loan of £400,000 from Barclays Bank to tool up for production and continue investment in more advanced versions of the instrument. Initially it is planning for production of more than 100 per week at a price of about £2,500 per instrument, Mr Copps said.

CBI to lobby MPs over Weight limit for lorries

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Confederation of British Industry is to mount a political campaign to stop backbench Conservative MPs blocking legislation that would raise the legal limit for lorries from 32 tonnas to 40 tonnes.

Following a meeting yesterday of the CBI's council, the confederation's regional councils are to lobby their local MPs, urging them to put the interests of industry abova *environmental worries.*

Sir Terence Beckett, CBI Director-General, said ICI had told the council it would save £1fm a year if heavier lorries were approved.

Sainshury had estimsted its savings st £2m and the British Steel Corporation had put its figure at £10m s year.

It is understood that these figures apply to a new 40 tonnes limit. But virtually the same ssvings would be mada if the limit were raised to 38 tonnes.

But the CBI and its member companies are worried that Conservative MPs might reject any increase.

Sir Terence said he was aware of tha environmental arguments. Lorries should ideally use motorways as much as possible, and more bypasses should be built. But the higher limit would mean "fewer bigger lorries which would enhance the environment."

If the UK was to ba competitive, its transport costs had to be competitive with international rivals.

The CBI council urged more local councils to arrange for outside contractors to carry out services such as school meals, recreational facilities and council house repairs, following the lead of local authorities in Berkshire, Southend and Malden.

House-coal grading call

BY MARTIN DICKSON

THE National Coal Board should ensure greater consistency in the quality of coal supplied to the household market and improve its system of grading supplies, according to a report published yesterday by the Domestic Coal Consumers Council, a watch-dog body.

The council said consumers wanted a quality-control system which ensured that when paying a standard price they received a standard quality. The board's grading system for house coals bore no relationship to consumers' satisfaction with various types of coal.

The board said there were problems in finding a satisfactory system for selling a variable product like house coal, produced from more than 100 collieries each working up to four different seams. Tha scientific classification system proposed by the council was rejectected long ago, because it was impossible to ensure each shovelful a purchaser used would conform to this standard.

UK NEWS—LABOUR

APPOINTMENTS

Heathrow ramp men vote to stay out

By Brian Groom, Labour Staff

BRITISH AIRWAYS stepped up the use of "blackleg" labour at Heathrow yesterday to run 100 per cent of its European and domestic services as 2,000 ramp workers voted to continue their five-week dispute.

Mr Ron Todd, national organiser of the Transport and General Workers' Union, told a mass meeting of the ramp workers: "There will be no bloody surrender. If you give in now, you are finished now and for the future."

The workers say they are locked out after refusing to accept work schedules which BA wants to introduce as part of its "survival plan."

The dispute has become a dogged battle of principle over "scabbing" by members of other unions, and what the TGWU claims is the "*unconstitutional*" imposition of the new schedules.

The ramp workers, who are losing average pay of £150 a week and receiving £12 a week lockout pay from the union, have achieved little success in winning the active support of other Heathrow groups.

A 24-hour strike by long-haul aircraft-handlers on Saturday, which caused cancellation of a third of intercontinental services, was the first time the dispute has seriously penetrated BA's defences.

This was followed by a strike in the cargo-handling area on Monday. Mr Mike le Cornu, chairman of the ramp workers' stewards, said there were "plans for more of these kind of stoppages."

Mr le Cornu said that BA's latest peace proposals had been rejected.

They included an end to the dispute for a week, without a return to work, while discussions took place on implementation of the schedules, he said, and contained a "diabolical" plan for the changes to be brought in even if agreement could not be reached.

The union has proposed a moratorium on outstanding leave and working some rest days while work resumes under old schedules for 21 days of talks to achieve the changes. BA insists that it has already accepted 300 workers for redundancy or early retirement and cannot return to the old schedules.

TUC warns employers on Tebbit Bill

BY JOHN LLOYD, LABOUR EDITOR

TRADE UNIONISTS are to be urged to warn their employers against using the terms of forthcoming employment legislation, on pain of industrial action.

The TUC's employment policy committee yesterday approved an ambitious campaign of propaganda and education for members, MPs and the public, as part of its first phase of action.

It rejected an invitation from Mr Norman Tebbit, Employment Secretary, to meet and cla[illegible] "misunderstandings" over [illegible] Employment Bill. The TUC will tell him that it well understands the legislation and that a further meeting would be futile.

Mr Tebbit's letter, sent some weeks ago, denies that the legislation contains "dangerous implications" or that the Government has a "deep-seated hostility to effective trade unionism."

The employment policy committee approved a leaflet to union members, calling them to "tell our employers of the dangerous consequences of the Bill. And warn them against exploiting it to undermine trade union activity."

The leaflet's theme is that individual workers' interests are tied with trade union membership. One slogan is: "If you want to look after yourself . . . look after your union."

The TUC will prepare an "action pack" containing material aimed at employers. It will detail the Bill's provisions and pick out areas which could provoke confrontation. The unions have identified the employers as the crucial, and potentially weak, pressure point once the Bill is passed.

Among its other plans are:

● Leaflets to be distributed to the public in May in an attempt to gain support.

● Lobbying MPs, especially Conservatives in marginal constituencies.

● Briefing trade union officials. Nearly 90 senior officers from 50 unions will be briefed on the anti-legislation campaign at the end of this month. Each union has been urged to appoint a senior official to co-ordinate activities.

The TUC committee heard a report on the Bill's progress from Mr Eric Varley, Shadow Employment Secretary, who put Labour's case for opposing it.

Mr Varley told union leaders that the Commons standing committee was still bogged down in the first clause of the Bill, and that Labour expected a guillotine to be announced shortly.

He said that he expected the Government to table some amendments to the Bill during the committee stage, though it is thought these are likely to be technical in nature.

Mr Tom Bradley, SDP representative on the Commons committee, has tabled amendments covering industrial democracy, ballots for union officials and the right to pay a political levy to a party of the member's choice.

Shipyard unions will recommend acceptance of 7% offer

BY OUR LABOUR EDITOR

SHIPYARD workers will be asked to approve pay rises of around 7 per cent at mass yard meetings over the next ten days.

A shipyard delegates' meeting in Newcastle yesterday overwhelmingly endorsed the acceptance of an offer made by British Shipbuilders last week to its 67,000 workforce.

After the meeting Mr James Murray, general secretary of the Boilermakers' Society and chairman of the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions, said the unions were "disappointed" by the offer, but felt compelled to recommend it to their members.

"The delegates know that we still have great problems in the industry, here and all over the world. I think that the support for the offer from the delegates here means that it will be carried."

The offer gives a weekly increase of £6.50 to skilled workers, £5.20 to unskilled workers and 6.5 per cent to white collar workers. In addition, one third of a 15 per cent supplement will be consolidated into basic pay, leaving a 10 per cent supplement which is counted into the minimum earnings level.

This gives a skilled worker a minimum earnings level of £113.50, with £90.80 for unskilled workers.

The offer also includes: one day's paternity leave; maternity leave qualification dropped from two to one year's service; three days bereavement leave; and a joint working party to thrash out details of a sick pay scheme.

The negotiations on the offer have passed very rapidly, with all the talking being compressed into one 13-hour bargaining session last week.

Acceptance of the offer by the shipyard workers will mean that negotiations can begin on a comprehensive industrial relations charter, long an aim of the shipbuilding unions.

Wage strike hits British Aerospace plant

BY IVO DAWNAY, LABOUR STAFF

MORE THAN 2,000 British Aerospace workers yesterday began an indefinite stoppage in protest against the corporation's refusal to improve a 6.3 per cent pay offer.

Workers at Broughton, near Chester, have been demanding a 7 per cent rise in line with settlements agreed at some othr British Aerospace plants.

Union officials say the Broughton factory, which makes the BAe 125 executive jets and wings for the European Airbus, has a better efficiency and productivity record than any of the corporation's 21 plants.

Mr Rowland Bull, chief negotiator for the eight unions involved, said a "substantial majority" of the skilled and semi-skilled workforce had backed strike action in a secret ballot last month.

The stoppage followed the breakdown of talks in Manchester on Monday and the failure of the disputes procedure. Mr Bull said: "We are always prepared to continue talking, but at the moment the management have nothing to talk about."

A 7 per cent pay award would raise pay for skilled workers by £8.51 a week against the £8 currently on offer.

● British Aerospace yesterday denied a report that 5,000 workers at Holme-upon-Spalding Moore have been warned that the test and maintenance station is to close with the loss of 300 jobs.

Health staff to consider action over pay claim

By Our Labour Staff

THE NATIONAL and Local Government Officers Association yesterday called a special delegate meeting of health service branch officials for April 23 to discuss industrial action over the annual pay claim.

The union, which has 100,000 members in the health service, is also seeking a meeting with Mr Norman Fowler, the Social Services Secretary, to protest against plans to make health authorities pay one-third of an extra £82m allocated earlier this month to fund wage rises.

The moves follow a decision by the TUC health services committee on Tuesday to back industrial action over the unions' claim for rises of about 12 per cent.

The committee agreed to call a national one-hour stoppage in the next few weeks, and may escalate the action to strikes by selected groups.

The employers have offered 6.4 per cent to nurses, and 4 per cent to other health service workers.

Gas workers reject 9% final offer

By Ivo Dawnay, Labour Staff

UNION OFFICIALS representing 40,000 British Gas workers yesterday rejected a "final" pay offer worth more than 9 per cent.

A delegate conference of the General and Municipal Workers' Union voted to warn the corporation that if bonus payments were not consolidated into basic rates, the union would recommend *industrial action*.

British Gas had originally offered between 7.8 and 9.1 per cent with no increase on basic rates. But last week this was revised to allow a 7.5 and 8 per cent rise on all payments including bonus.

Mr John Edmonds, GMWU national energy officer, said that the new offer had been "unanimously" thrown out by shop floor delegates.

"The offer we have now got makes no movement towards consolidating bonus pay," Mr Edmonds said. "Unless they offer our members guarantees of security of earnings, we will plan a campaign of industrial action."

Teachers' plea

THE NATIONAL Union of Teachers yesterday appealed for the support of the 24 local education authorities who have yet to back the teacher's call for pay arbitration. The Burnham Committee meets today to discuss the pay deadlock.

Move against youth jobs scheme likely

By Our Labour Staff

PRESSURE AGAINST co-operating with the Youth Opportunities Programme is likely to be exerted at the annual conference of the National and Local Government Officers Association this summer.

A number of Nalgo branches have submitted such motions to the conference because of alleged expoitation of YOP trainees, and to support the YOP trade union rights campaign.

Other motions include a call for ballots on starting and ending strike actions; the need for co-ordinating industrial action over public sector pay; and opposing the Government's labour law plans even if it meant "disobeying anti-trade union legislation."

Dunlop talks

SENIOR MANAGEMENT at Dunlop are to meet officials of the General and Municipal Workers Union and the Transport and General Workers Union on Monday to discuss workers' grievances.

Morgan Guaranty senior posts

Mr Peter J. de Roos has been appointed executive director and chief executive officer of SAUDI INTERNATIONAL BANK from April 1. He succeeds Dr Andreas R. Prindl. Mr de Roos, a vice-president seconded by Morgan Guaranty Trust Company, has been managing director of Bank Almashrek SAL, a Beirut-based commercial bank with offices in Jordan and Qatar, since 1977. Dr Prindl is returning to Morgan Guaranty where he will establish a mergers and acquisitions unit in the bank's London office. Dr Prindl joined Saudi International Bank two years ago after serving as vice-president and general manager of Morgan Guaranty's Tokyo office.

Bank Almashrek has elected Mr Rolf Kleinlein as general manager and managing director. He has been a vice-president of Morgan Guaranty Trust Company in the Frankfurt office and will assume his responsibilities on April 1. He succeeds Mr de Roos.

★

MURJANI, makers of Gloria Vanderbilt jeans and sportswear, has appointed as marketing director for the UK and Europe Mr Anthony Newnham, formerly marketing director of Browning Sports.

★

Mr W. J. Pyke has been appointed a director of WEEKS PETROLEUM (UK), an exploration subsidiary of Weeks Petroleum. He joins from Marathon International Petroleum where he was a chief exploration geologist.

★

SCANDINAVIAN BANK GROUP has appointed Mr Tom A. A. Palmberg to be assistant general manager in charge of its Finnish department. He was previously with Union Bank of Finland as head of correspondent relations and documentary division. Union Bank of Finland is a shareholder of Scandinavian Bank. Mr Palmberg succeeds Mr Robin T. Ahlström who is being sponsored by Scandinavian Bank to undertake a year's advanced business management programme at an American university.

★

Mr L. H. Chapman has been appointed to the board of "FORESTOR" FOREST AND SAWMILL EQUIPMENTS (ENGINEERS) with the special responsibility of group expansion and diversification.

★

Mr Richard Fenhalls, deputy chairman and chief executive of the banking subsidiary Guinness Mahon and Company, has been appointed a director of the parent company, GUINNESS PEAT GROUP.

★

Mr John G. Porter has been appointed director and chief executive of the NATIONAL ENGINEERING CONSTRUCTION EMPLOYERS ASSOCIATION. He is a former director of operations of the Engineering Employers' Federation.

★

Mr T. J. Attwood has been appointed chairman of the POST OFFICE USERS' NATIONAL COUNCIL from April 1 until March 31 1985. He is chief executive of the British management consultancy group Cargill, Attwood and Thomas.

★

Mr Russell Jones, a director of the J. M. Jones group and chairman of Markham Developments and Markham Developments (Investment) will be resigning his directorships with the group from June 30 to pursue his own commercial property development, project management and property investment interests through his BARJAC GROUP.

★

Mr C. N. Villiers, deputy chief executive of COUNTY BANK relinquishes his role as head of international division to concentrate on additional bank-wide responsibilities. Mr D. H. Stewart becomes head of international division in succession to Mr Villiers. Mr J. Cohen is appointed a senior director of the bank with specific responsibility for large UK business. Mr A. T. H. Power and Mr R. Theodoulou are appointed directors. Mr G. H. J. Pooley is appointed head of Eurosecurities syndication and trading. Mr A. G. W. Buckland, Mr T. M. Seymour, Mr D. L. Shaw, Mr J. P. Summer and Mr M. P. F. Wickham are appointed assistant directors.

★

Mr Colin Peckett has been appointed a director of SHERWOOD COMPUTER CENTRE the group holding company, with overall responsibility for the Lloyd's Syndicate data processing work undertaken through Dataloyd, of which Mr Peckett is also a director and general manager. Mr Alan Willshire has been appointed to the board of Sherwood Insurance Administration Services, a subsidiary company that provides data processing and accounting services to insurance and reinsurance companies, underwriting agencies, Lloyd's brokers and motor syndicates.

★

CAMPBELL'S SOUPS has appointed Mr A. J. Beuth as managing director and deputy chairman. He joined the company at King's Lynn in 1979 as controller, and later became general manager of the Dutch associated company, Luycks Producten B.V. in Amsterdam.

UK NEWS—PARLIAMENT and POLITICS

Recovery certain despite U.S. recession, Lords told

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THERE CAN BE no doubt that Britain is moving out of the recession Lord Cockfield, Minister of State at the Treasury, told the Lords last night during a debate on unemployment and the need for industrial growth.

In an upbeat assessment of the economic prospects he maintained that although the recession in the United States might slow Britain's recovery it could not halt it.

"We cannot ignore what is happening in America," he declared. "But it does not necessarily follow that when Washington sneezes the whole world catches cold.

"I would expect the continued recession in America would slow our rate of recovery, not stop it. And when America begins to emerge from the recession this will add impetus to our recovery."

There were, he said, indicators of progress in the British economy. Construction orders in 1981 were up 9 per cent on the second half of the 1980s and engineering orders were up 17 per cent.

The number of private housing starts had also increased. These were not "crumbs"—they were signs of progress.

It was true, he admitted, that up till now recovery in the UK had been slow and patchy. But it did no good to denigrate the progress made. Confidence was improving and we needed to reinforce it, not damage it.

"Trade recessions are not like tennis balls," argued Lord Cockfield. "They do not hit the ground and bounce sharply up. There is a decline, then the bottoming out and then the recovery."

He thought there was good reason to hope that the present fall in oil prices would improve the situation. It was already leading to lower inflation and increased output.

Nevertheless it was even more essential that the Government should continue its responsible fiscal and monetary policies. This would ensure that the benefits fed through into lower inflation and sustained and sound long-term recovery. It should not be frittered away in an inflationary but short-lived burst of activity.

Lord Cockfield emphasised that the problem was that falling oil prices benefited the consumer and industry but also lost a great deal of revenue for the Government from the North Sea. Despite this, he said, the Chancellor had succeeded in restraining public borrowing within the total of £9½bn for the coming year.

Lord Cockfield emphasised the importance of reducing costs to compete with other major industrial countries. Costs in the UK, particularly labour costs, had escalated in a way which had lost markets at home and abroad.

Lord Thorneycroft, former chairman of the Conservative Party, endorsed the Government's economic strategy, but felt that state industries should be sold off at a faster rate. He was sceptical about the Government's latest moves to monitor the nationalised industries and improve efficiency in them.

He reminded peers that the Government Think Tank had produced a report on the subject. There was also the Department of Industry's industrial development unit and the Treasury's public enterprise analysis.

All this was admirable, but Lord Thorneycroft did not believe it was possible to run enterprises this way. In the meantime, Britain still had a massive state sector. Basically, we had to get industries out of the public sector and open them up to the investment institutions.

The Labour spokesman, Lord Glenamara, described the unemployment problem as a "colossal human tragedy" and blamed the Government for turning a mild recession into a deep slump.

Although he welcomed the Budget as a minor relaxation, he claimed it was not enough.

Scottish universities 'coping well' with cuts

By Ivor Owen

SCOTLAND'S eight universities have fared better than their English counterparts in the "painful adjustments" made necessary by the end of expansion in higher education, Mr George Younger, the Scottish Secretary, claimed in the Commons last night.

He insisted that the economies which have been introduced will not cause any fundamental damage to the structure of the university system.

His assurances made little impression on Labour MPs, who cheered Mr Bruce Millan, the shadow Scottish Secretary, when he maintained that a reduction of 3,800 places in the Scottish universities had caused "confusion, bitterness and anger."

He referred to suggestions that compensation for academic staff was likely to amount to £200m, and argued that if this proved to be the case there was little likelihood of substantial savings in expenditure on higher education in Scotland.

Mr Millan, who moved a motion condemning the Government for denying educational opportunity for qualified young people, protested that the University Grants Committee had been cast in the role of "hatchet men."

The new university at Stirling had been particularly savagely attacked, he said.

Mr Millan accepted that there was a case for making changes in higher education, but contended that they should have been made in the context of a controlled overall expansion of educational opportunity and educational expenditure.

Vigorously defending the broad strategy adopted by the University Grants Committee, Mr Younger said he was convinced that it was right and that in years to come it would be proved to have been "extraordinarily far-sighted."

While underlining the limited scope for flexibility available for the University Grants Committee, he pointed out that Aberdeen University had been told that if it succeeded in obtaining adequate external funding for an additional chair the committee would consider providing a degree of supporting funding.

Mr Younger also stressed that the University Grants Committee had continued the funding of Edinburgh University's work as one of only two specially selected centres in the UK on the application of microprocessors in science and engineering subjects.

The Opposition motion was defeated by 62 votes (293-231).

Secret Anglo-Irish deal on Holyhead port denied

BY ROBIN REEVES, WELSH CORRESPONDENT

THE GOVERNMENT yesterday denied that the opening of Sealink's Holyhead port facilities in North Wales to the Irish B + I Line was a consequence of Anglo-Irish political dealings.

Mr Reginald Eyre, Under-Secretary of State for Trade, told a Welsh Grand Committee debate on ports that allegations that B + I's planned Holyhead-Dublin service was the product of a secret trade-off through the Anglo-Irish political consultations — initiated in Dublin over a year ago — were without foundation.

The refusal of Sealink workers to handle B + I vessels, led to last week's Irish Sea "ferry war" and the suspension of Sealink's Holyhead service until the port workers agree to accept B + I rival service.

Mr Eyre also rejected suggestions from opposition MPs that the Government should intervene. It was an internal matter for Sealink and purely one of industrial relations.

Earlier, Mr Michael Roberts, Under-Secretary for Wales, stressed that Sealink was under a statutory duty to make facilities at Holyhead available to B + I. Underlining the Sealink management view that additional traffic will be generated by B + I, he hoped that staff would soon accept the reality of the situation.

Mr Keith Best, Conservative MP for Anglesey, urged the port workers to accept Sealink's offer to run a two ship service until the end of the year, if they agree to handle B + I.

He agreed that at present the port was "grossly under-utilised." He was also involved in angry exchanges with Mr Dafydd Ellis Thomas who accused him of not representing his constituents' interests.

In Holyhead itself, Sealink issued dismissal notices to 38 mooring staff and urged representatives of all 10 port unions to reconsider the blacking.

Tory Central office runs 'political audit'

Financial Times Reporter

CONSERVATIVE Central Office is carrying out a "political audit" of the party. It has sent a questionnaire to local parties to establish how strong it really is at grass roots.

Questions asked are: How many paid up members do you have? How many active members? Do you have a newsletter? How many branches do you have?

The exercise is the latest stage of Impact 80, a campaign launched last summer to improve local organisation.

The Tory Party reckons to have 1½m members. Some Constituencies have more than 10,000 members, some have far fewer and are virtually inactive.

The party is urging volunteers to make more effort to get in touch with people between elections. Like the Liberals the Tories are advising members how to use local issues to maximum effect. A series of training sessions has also been held.

Steel calls for change of pattern at Hillhead

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MR DAVID STEEL, the Liberal leader, said yesterday that voters in Glasgow Hillhead had an opportunity to "change the pattern of British politics completely" by voting for Mr Roy Jenkins in the March 25 by-election.

At the morning Social Democratic/Liberal Alliance Press conference Mr Steel added confidently that knowing the electorate as he did, "I cannot believe they will pass up what is a historic opportunity."

Mr Steel was in Hillhead to add some gusto to Mr Jenkins' campaign.

No clear voting pattern has emerged, with each party presenting different soundings about the responses from canvasses in the various Hillhead wards.

Mr Steel criticised recent Conservative attention to Scottish affairs, which he said was attributable to the by-election.

He gave as an example government approval for a large industrial exhibition centre on the River Clyde, near Hillhead.

"If Hillhead were odd enough to return a Conservative member they would find this interest in Scotland quickly disappears . . ." he said.

Malone: help for housing

Steel: historic opportunity

Mr Jenkins, Mr Gerry Malone, Conservative candidate, and Mr George Leslie of the Scottish Nationalist Party concentrated on housing problems.

Mr Jenkins said he had found through reading government expenditure projections that spending on housing in Scotland was to fall from £785m in 1980-81 to £755m in the current year, £739m in 1982-83 and £650m in the following year.

Taking inflation into consideration this represented a substantial cut in real terms, according to the Alliance candidate.

Mr Leslie said Glasgow had earned the name of the slum of Western Europe with over 100,000 houses below the Government's official standard line.

"Three-quarters of all Scottish public expenditure cuts from last year to the next will fall on housing, condemning thousands to a life in lamentable conditions," he said.

Mr Malone said the Government was committed to helping housing associations in Scotland which played an important part in providing specialised housing to groups like single people and the elderly.

District councils could make up for the cuts in expenditure through the sale of council housing, Mr Malone said. And he sharply criticised the record of the local council over council house sales.

SLOW BOAT TO PARLIAMENT: Mr Ken Livingstone, leader of the Greater London Council, after a cruise on the Thames yesterday in support of low fares on London Transport. Mr Livingstone received a petition backing the campaign from the London Transport trades union defence committee.

P.O. investment curbs attacked

BY JASON CRISP

GOVERNMENT restrictions on capital investment by the Post Office were described as monstrous yesterday by Mr John Morgan, chairman of the Post Office Users' National Council, in evidence to the Commons committee on industry and trade.

The Post Office wants to invest £700m over the next five years on completing the mechanisation of sorting offices and on improving old property, but is only expected to be able to generate £500m internally.

The Government has given the postal business a negative EFL (external financing limit) of £25m a year for the next three years.

Mr Morgan — who has not been re-appointed chairman of POUNC—said customers could only be very angry and disturbed about this.

He also pointed out that the Post Office had substantial reserves accumulated from past surpluses which could not be used for the investment programme.

At an earlier hearing of the Select Committee Mr Ron Dearing, chairman of the Post Office, warned that lack of investment would delay the mechanisation of the sorting offices by at least two years. Most of the benefits of mechanisation are not felt until the entire system is complete.

The Post Office has reserves of approximately £170m which are invested in government stocks. The reserve, accumulated from past surpluses, cannot be drawn on because it would count against the Post Office's EFL — and it is being required to repay the Government £25m a year in addition to interest payments.

The Mail Users' Association told the committee that the Post Office should be much more accountable for its performance and productivity. It called on the Post Office to produce standard interim reports and quarterly statements and to devise a mails productivity index

Labour Ulster spokesman quits over Terror Act

By Margaret van Hattem, Political Staff

MR CLIVE SOLEY yesterday resigned as a Labour spokesman on Northen Ireland. He voted against renewal of the Prevention of Terrorism Act on Monday, in defiance of party instructions to abstain.

Yesterday, he told Mr Michael Foot, the party leader, that he could not justify abstention on so vital an issue.

"I strongly believe that this Act plays into the hands of paramilitary groups," he wrote in his resignation letter. "The explosion of five bombs and the death of an 11-year-old boy in Northern Ireland shortly before the vote confirms all my fears."

Mr Soley, who was widely regarded as the most intelligent exponent of Labour's policy of "reunification by consent" in Ireland, had in recent weeks begun to develop the theme of a federal Irish system of government with constitutional safeguards for protestant Ulster.

While Mr Soley's letter gave no hint of any pressure to resign, it is understood he was left in little doubt that the move was expected of him. Many in the party, including Mr Roy Hattersley, the shadow Home Secretary, also wanted to oppose the renewal of the Act. They were persuaded to accept when Mr William Whitelaw, the Home Secretary, promised to set up a review of the Act.

Under the circumstances, party officials said, it would have been churlish to oppose renewal.

Public inquiry into Penlee lifeboat loss

A PUBLIC INQUIRY will be held into the loss of the Penlee lifeboat, Mr John Biffen, Trade Secretary, announced yesterday.

Law and order lobby tests Home Secretary's talent for survival

Willie shapes up for a fight

BY MARGARET VAN HATTEM

"In this government you always know when you are winning the argument—it's when Willie comes down on your side."

This double-edged tribute from a colleague to the remarkable survival instincts of Mr William Whitelaw, the Home Secretary, goes a long way towards explaining the special place he occupies in Mrs Thatcher's Cabinet.

The humbling figure at the Despatch Box, whose oracular pronouncementa of the splendidly absurb have become a minor cult in Westminster, is regarded by many as the Cabinet's lynchpin. The Prime Minister's strength, it is said, depends on her having aa deputy a man as loyal as Mr Whitelaw, whose weight and seniority have suppressed several incipient mutinies.

But Mr Whitelaw's talent for survival is now being put to the test. The latest crime statistics, which show street crime to have risen to record levels, have exposed him to strident attack from the right wing of the party, and the support he has been getting from the Prime Minister has not been unambiguous.

Indeed, the veiled signals of support emitted by Downing Street earlier this week, when Mrs Thatcher let it be known that she would take a closer interest in law and order problems, have helped to underline the difficulties in which he finds himself.

Mr Whitelaw's liberal attitude to law and order legislation has long exposed him to attack from the hardliners who, after last summer's riots, were in full cry at the last Tory conference. Mrs Thatcher's notable failure to support him at the time appears to have encouraged them to step up the attack.

But the criticism, while still led and to some extent orchestrated by the extreme right, no longer appears confined to it. An increasing number of Tory MPs report the growing preoccupation of their constituents with law and order problems.

UNDER PRESSURE: Mr Whitelaw flanked by vociferous right wingers Ivor Stanbrook and George Gardiner.

"It's not just the hangers and floggers — I can deal with them," says one MP. "The problem is how to answer the nice people."

Since Christmas the campaign against Mr Whitelaw has gathered momentum in the weekly meetings of the Tory home affairs committee, whose proceedings have attracted remarkable attention from the more receptive sectors of the Press.

The unassertive chairmanship of Mr Edward Gardner, QC, has enabled Mr Whitelaw's more aggressive opponents on the committee, such as Mr George Gardiner and Mr Ivor Stanbrook, to press for tougher legislation, harsher sentences, and repatriation of immigrant offenders.

The campaign has also spread to the Committee Stage of the Criminal Justice Bill where Mr Vivian Bendall is pressing for the reintroduction of capital punishment — a move supported yesterday in national advertising by the Police Federation.

Normally, the leaders of the campaign, none of whom holds a senior government position, would be dismissed in the words of one of Mr Whitelaw's supporters as "industrious spirits with good lines to the right-wing press but of no consequence in the party."

But the strong echoes of their sentiments coming from the "nice people" in the constituencies appear to have disturbed a large number of Tory MPs who are feeling distinctly edgy over the prospect of another summer of riots, and who are beginning to think about the next election.

The shadow Cabinet decided last night to use its Supply Day time next week to force a debate on law and order in an attempt to maximise the Government's embarrassment over the crime statistics and over the divisions in the Tory ranks.

The Government's failure to curb unemployment or cut taxes increases the possibility of law and order becoming a campaign issue.

Mr Whitelaw's attackers have not publicly demanded his resignation, and, in view of the rescue signals from Mrs Thatcher this week, are unlikely to do so. Although in private they say he must go, they do not seem sure precisely what they want him to do, apart from stopping crime.

Mr Whitelaw has in recent weeks moved onto the defensive and, according to his friends, relishes the prospect of a fight. "He's got a new lease on life," says one. "He's lost a couple of stone, has given up whisky and is ready to take on all comers."

If the hangers and floggers want tough talk, he seems prepared to give them that much. In recent speeches he has urged the police to "go in hard" after violent criminals and called on the public to give the police their full support. He has denounced crimes of violence and emphasised the degree to which he has built up the police force.

But he seems determined not to be pushed into more repressive legislation.

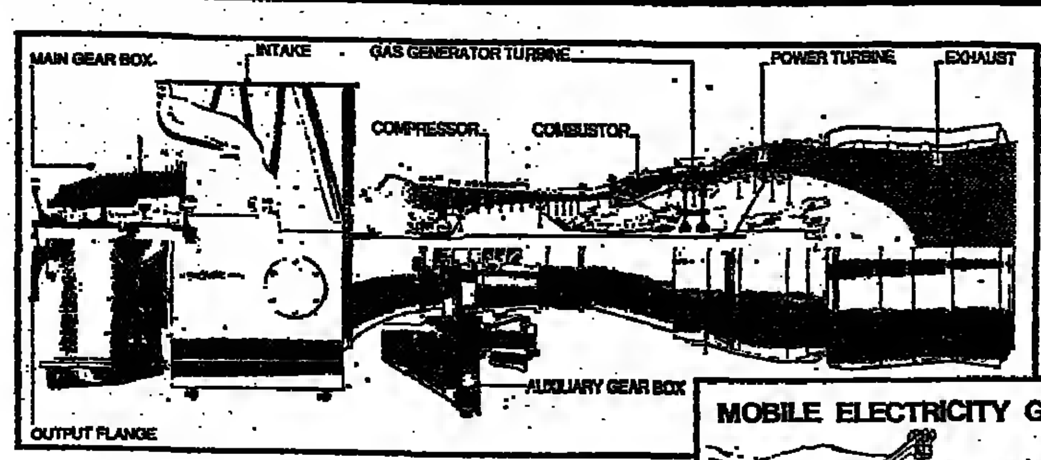
Over the next week Mr Whitelaw will face his critics at a party conference in Harrogate and at a meeting of the home affairs committee. A rearguard action in his support is being mounted in the tearooms, smoking rooms and dining clubs where so much of Tory policy is arranged.

Mr Francis Pym, the Leader of the House, and Mr Michael Jopling, the chief whip, are believed to be acting as his lieutenants.

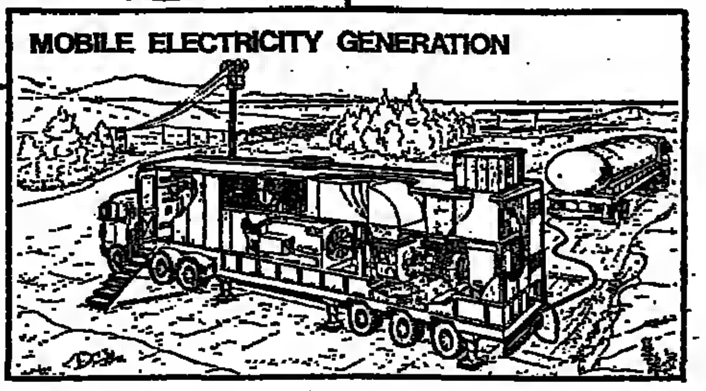
More than most Cabinet ministers, Mr Whitelaw appears to have accepted that there is a link between economic policy, unemployment and crime. And, say his friends, now that he has given up all thoughts of becoming Prime Minister, he is beginning to reflect on how the history books will judge him.

TECHNOLOGY

EDITED BY ALAN CANE



Among its possible applications to power boats and pump gas along pipelines, Fiat hopes that the LM 500 will find use for emergency power generation. However, it has to compete with diesel generators which are simpler to operate and maintain



The down to earth aero-engine

ELAINE WILLIAMS looks at Fiat's efforts to concentrate its £180m a year research programme.

FIAT, THE Italian car-maker, is one of the first manufacturers to use robots which can see on the factory floor.

This "seeing" robot (forecast on this page in November last year) assembles engine parts at Fiat's main car plant in Turin. Using a camera mounted at the head of the machine the robot can identify components, pick them up and insert them.

The robot was developed at the company's main research centre to improve productivity in car-making. Even though the company is already highly automated, it is still seeking to reduce labour costs.

Fiat spends more than £180m a year on research which ranges from production aids, new forms of transport to alternative energy. Even so, as the world's fourth largest manufacturer, this expenditure accounts for only 1.6 per cent of total sales.

According to Mr Carlo Rossi, managing director of Fiat's research centre: "The recession has slowed down many research programmes. Fiat is a highly diversified company operating in very competitive sectors, most of which are depressed," he commented.

This is why Fiat is concerned that its research is concentrated on areas where immediate benefits can be seen such as on car assembly lines or creating better versions of existing products.

Because of the high cost of research in most of the areas in which the company competes, Fiat has opted for collaborative ventures where possible. This is particularly true in the aviation sector where at least half its developments were carried out in partnership with other companies.

Fiat Aviazione, for example, its aviation subsidiary, is in partnership with Pratt and Whitney in the U.S. and MTU in West Germany on the development of the PW 2037 turbofan engine, to be used on future short-medium range commercial aircraft carrying 150 to 170 passengers.

Less than three weeks ago the PW2037—which will also power the CX troop transporter—had its first flight tests and is due for certification by the end of next year.

The engine has a thrust of 37,000 lb and is claimed to combine both low fuel consumptions and low maintenance costs.

Such collaborative ventures have provided Fiat with the opportunity to adapt aero-engine designs to industrial and marine uses.

Now Fiat Aviazione is ready to go into production of the LM500 gas turbine which is derived from an engine developed by General Electric in the U.S. and used in U.S. military aircraft.

Though General Electric still makes the basic unit, Fiat Aviazione developed and now makes the parts which turn it into a marine or an industrial engine.

Modifications to the LM 500 included replacing the large fans—used to provide engine thrust—with a simpler air intake system and building a new gearbox which can be connected to the drive shaft on a ship, for example.

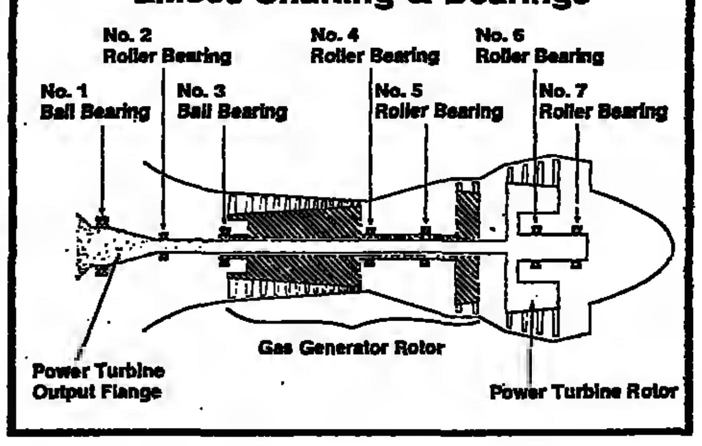
The LM 500 is a simple cycle two shaft gas turbine engine capable of providing 5,500 bp or up to 4,500 kW of electricity.

Dr Luciano Maccaferri, manager of Fiat Aviazione's marine and industrial projects, claims that the lower weight of the turbine compared with conventional diesels, quietness, low maintenance and its ability to run from a wide range of fuels open up a wide range of applicatinns for this modified aero engine.

He says they include powering fast boats, generating power on oil rigs, and serving as the basis for mobile power generators nn board trucks for use after large disasters. They could also be used to provide small communities with electricity.

This market however is highly competitive; companies such as Ruston Diesels, part of the Britisb GEC group, has been very successful in this field.

LM500 Shafting & Bearings



U.S. LANs sales may reach 700 this year

BY GEOFFREY CHARLISH

IN 1981, about 178 broadband local area networks (LANs) were installed in the U.S., mainly for intra-company communications, bringing the installed base there to 460.

Users already include big names such as General Motors, Ford, Littnn Industries, Boeing and Union Carbide, and, in 1982, it is likely that about 700 broadband LANs will be sold in the U.S. for about $72m.

Interactive Systems/3m will probably sell most (about 250 systems) followed by Amdax (150), Sytek (150) and Wang, a fairly recent entrant (60).

'Old fashioned'

IBM, believed about to enter the market, and Wang will have increasing influence in the office segment and by 1986 the total broadband LAN installed market base is expected to reach 18,000 systems.

These, and a wealth of other facts and predictions, are contained in a report from Strategic Incorporated, the San José research company represented in the UK by International Planning Information (IPI) of London (01-221 0998).

The report is entitled "Intra-company Networks: Broadband versus Baseband, The Key Issues" and costs £695. It deals essentially with the U.S. scene, with only limited coverage of Europe.

Perceptive LAN watchers will have registered that something of a contention has built up between Strategic and Xerox (the originators of Ethernet, a base-band LAN) since a report last year from Strategic suggested that Ethernet might be Xerox's undoing.

The implication was that it was rather old fashioned—since hotly refuted by Paul Strassman, Xerox vice-president, who described the broadband/baseband controversy as "a nothing," claiming that Ethernet could easily be converted to broadband.

Both kinds of systems are concerned with office/factory automation and with transaction communications (airline booking systems for example). They aim tn connect computers and data devices in a convenient cost effectivo way.

In offices, for example, data/file exchange can take place, peripherals shared (disc for example), electronic mail sent and vnice store and forward deployed.

In factories LANs might be used in data collection, process control, computer aided manufacture and in energy conservation or security applications.

Basically, a baseband system sends purely digital data in the form of pulses over a coaxial line. Messages are sent from stations on the line with addresses attached and they can only be picked up by the appropriate statinn, which recognises the address. Such systems are claimed by the broadband proponents to be both capacity and distance limited.

In broadband working, radio frequency transmission is used with a "mid-split," achieving a two-way directional path in a single coaxial cable which employs a central re-transmission facility. The two frequencies are in the 50 MHz and 250 MHz regions, implying high information rates.

The CRF is the point of origin for the RF signals which are distributed in the forward direction to all network connected devices. It also receives or collects, via the return paths, all incoming data generated by the various cable connected devices.

It is claimed that broadband networks have greater data capacity allowing pictures and other wideband signals to be sent, can deal with many channels, transmit over longer distances (50 miles without repeaters) and allow more flexible connections.

In this country, most of these systems would have to be used within a user's premises, since there are no widespread networks of coaxial cable.

In the U.S., there are some 4,300 cable television operators and many of them are beginning to offer business data communications on the broadband LAN principle, with access by companies already operating such a network in-house.

Clear tendency

In New York City, for example, Manhattan Cable Company started to offer 1.5 megabits/sec transmission to banks; now six banks are being serviced giving the cable company a $1m revenue. There is a clear tendency according to Strategic, for the phone company's business to be usurped.

This new report analyses broadband suppliers in detail and in addition contains detailed installation costs nn both broadband and Ethernet frnm 10 to 1,000 information outlets.

According to Strategic "the baseband Ethernet window of opportunity is being shut by broadband networks."

Matchmaker display

THE LATEST bed mill machining centre from Matchmaker Machines of Kingston-upon-Thames (01-546 6981) has a graphics display within the control pendant.

The display can be used in conjunction with the keys to produce programs for cutting and they can then be checked either in real time or at high speed. The operator can assure himself about the cutter paths before working on any metal.

The paths are shown in X-Y or X-Z planes and any section can be magnified for detailed checking.

The machine itself has high *strength* and *rigidity*, and induction hardened meehanite castings are used, fine ground for accuracy. Suitable for high speed, low speed and heavy duty work, the new machine, designated CNC700, has X, Y and Z travel of 700, 400 and 460 mm respectively.

Wood derivative should find many applications

MICROFIBRILLATED cellulose (MFC) should, says ITT Rayonier of Stanford, Connecticut, find a ready use in the food, pharmaceutical and cosmetics industries.

Rayonier, a subsidiary of the International Telephone and Telegraph Corporation, says that MFC, a wood derivative, consists of pure cellulose fibres. It is odourless, tasteless and consists of a chemically inert thick paste.

It can be used as a noncalnrific binder, a bulk extender, a thickener and stabiliser and moisture retainer for food, salad dressings, gravies, cakes and whipped toppings.

Other possible nses are seen as a non-oil cream base in the cosmetics field, as a thickener for water based paints, or as a suspending agent for some solids or as an emulsifying agent for organic liquids with possible use in the enhancement nf oil recovery.

Another possible use is tn replace acrylic binders to improve non-woven fabrics and thus make these more bio-degradable. Medically, the company claims MFC could be used for delayed release medication.

John F. Nobile, Manager of the Chemical Products Department, is in charge of MFC licensing.

MAX COMMANDER

China gears up for a small shaper

FOR several years W. E. Norton Machine Tools of High Wycombe has marketed the Cbinese 450 gear shaping machine with a capacity of 450mm diameter. A smaller model, the 200, also made in China, is now available which has a capacity of 200mm x 4mm and is suitable for high speed manufacture of external and internal spur and cluster gears, small sprockets and other profiles. Details on 0494 26222.

Analysis of process gases

THE MM8-80, a magnetic sector mass spectrometer has been designed for the automatic analysis of process gases. It can, claims VG Gas Analysis of Winsford, Cheshire, monitor simultaneously up to 60 different gases from 24 streams.

The instrument is programmed to *sample* each stream in turn and can present results either as a print-out, on a screen or magnetic disc. Full details from Dr Brian Scott, Marketing Manager (06065 52021).

BUSINESS LAW

A new face at the European Court

BY A. H. HERMANN, Legal Correspondent

MME SIMONE ROZES, who last year joined the European Court as one of its advocates general, clearly took to heart the resolution of the European Parliament, asking that competition cases concerning distribution agreements should be investigated much more deeply and more from the economic than from the purely legal point of view. Doing exactly that, Mme Rozes destroyed the Commission's maize seed case* with considerable overkill.

The Commission had set great store by this case during the years its draft regulation on patent licensing was on the table in front of the reluctant member-governments. It wanted a judgment confirming that exclusive licences were incompatible with the competition rules of the EEC.

Though the case is about the exclusive licensing of certified maize seed, the Commission had hoped for a general ruling applicable also to patents, trademarks and copyright. The outcome of the case will, therefore, be followed closely by all the industries which suffer from the parallel importer syndrome: the pharmaceutical and chemical industries, distilleries, manufacturers of motor-cars and of audio-visual equipment.

The case is an appeal against a Commission's decision, concerning commercial developments which followed the hybridisation of maize, an outstanding achievement of post-war years which has pushed the boundary of maize cultivation as far north as Paris.

Hybrids, capable of producing an abundant harvest in a cooler climate, are obtained by crossing specially cultivated varieties. These basic varieties, once obtained, can be multiplied from their own seed. Hybrids, by contrast, cannot be multiplied in this way and each generation must be produced by fresh crossing of the basic varieties.

As the development of a basic variety suitable for hybridisation takes about 15 years, with tests and multiplication taking a further period of time, the whole process of seed breeding and distribution involves considerable investment and planning.

The legislation of many countries, including France, Germany and the UK requires registration of authorised seed and provides protection for their breeders. This legislation was harmonised internationally by the Paris Convention of 1961, revised in 1972 and 1978, to which all EEC member states, with the exception of Luxembourg and Greece, acceded. The Convention provides, in Article 9, that the free exercise of the exclusive rights granted to a seed breeder may be restricted only for reasons of public interest, and that in such a case the breeder should obtain equitable remuneration.

The business relationship which came under the Commission's scrutiny dates back to 1960, when the French National Institute for Agricultural Research (Inra) appointed Herr K. Eisele to act as its representative at the Federal German Institute for the registration of seeds. In the following year Inra transferred to Herr Eisele and his firm, L. C. Nungesser, breeding rights in Germany for four varieties of maize seed which be had registered in Germany in his name.

This was followed in 1965 by a new agreement charging Herr Eisele with the exclusive organisation of the distribution of six types of maize hybrids. Eisele undertook not to organise the distribution of maize seed of another origin and to import from France at least two thirds of the quantity required for the German market. He was authorised to produce the rest and use the Inra trademark, and Inra promised to prevent exports from France to Germany, bypassing Eisele. In 1973 all these agreements were transferred by Inra to its newly created commercial arm, *Frasema*.

Though the agreements were notified to it in 1965, the Commission let the matter rest until 1974, when it was alerted by a complaint received from a would-be French parallel exporter who was stopped by Eisele's threat of legal proceedings. After a further four years, on September 21, 1978, the Commission adopted a decision declaring the agreements prohibited under Article 85 of the EEC Treaty and unfit to be granted an exemption.

The Commission's main objections were that the agreements allowed Herr Eisele to oppose parallel imports of Inra seeds to Germany and granted him an exclusive licence for the multiplication and sale of certain officially certified Inra seeds.

Eisele appealed against this decision, and his appeal was supported by the governments of France, Germany and the UK. Three-and-a-half years later, this must be the oldest case on the European Court's list.

If the 113 pages could be called short shrift, then this is what Mme Rozes gave the Commission in her Opinion. Just to warm up, she pointed out that the Commission had overlooked that one of the varieties was withdrawn before the decision was adopted, that it tried to prohibit what was already prohibited, and that a refusal of exemption under Article 85/3 of the EEC Treaty should not concern past infringements: some of the restrictions prohibited by the decision were given up long ago. Since 1978 Eisele produced all — and not only one third — of his requirements in Germany.

Mme Rozes then analysed the case law of the court and the Community Patent Convention, to conclude that there was no basis for the application of the doctrine of exhaustion to the rights enjoyed by seed breeders under national legislation. This doctrine would prevent Eisele from stopping parallel imports of seed placed on the French market with his approval.

As to Eisele's exclusive production rights, these were statutory rather than contractual, and followed from German seed legislation.

Having thus dealt with the preliminaries, Mme Rozes turned to the main body of the decision which declared the agreements to be prohibited and unsuitable for exemption under Article 85. After a detailed analysis of legal and commercial aspects she held that the agreements concluded between Eisele and Inra contributed to technological progress and an improvement in production and assured equitable prices and regular supplies to consumers. The exclusivity clauses, so far as actually observed in practice, were indispensable for achieving these results.

The Commission was, therefore, wrong in refusing exemption, with the exception of the clause prohibiting Eisele from selling other than Inra seeds which clause, however, he now no longer observed.

Closing her book, the advocate general reminded the court that a decision made after a delay of 13 years could well be born obsolete and, moreover, that such a long delay put at risk the considerable investments of the parties at a time when non-French imports of maize seed into Germany are getting the upper hand on the market.

* *Case 258/78, L. C. Nungesser and Kurt Eisele v EEC Commission, Opinion of Advocate General 3 February 1982, unreported.*

RACING

BY DOMINIC WIGAN

CHELTENHAM will today resound to cheers not heard since the days of Arkle and Millhouse if Night Nurse can become the first jumper to land the Champion Hurdle-Gold Cup double.

The most popular horse in training, now that Sea Pigeon has retired, Night Nurse will be carrying the support of thousands of backers and the well wishes of Dessie McDonogh, the Irishman who is Monkfield's trainer. He voiced the views of many in saying he would love to see Night Nurse win.

Night Nurse has done little wrong this season and is entitled to his market position. However, at oddes of about 3—1, there is probably better valne to be bad through each-way support of popular veteran Tied Cottage, quoted at 40—1 in some lists, Tied Cottage, the 1977 runner-up and the disqualified winner in 1980, is finding a new lease of life.

No four-year-old stands out in the 31-runner Daily Express Triumph Hurdle so backers are almost certainly best advised to look for each-way possibilities among the outsiders

Pipe has a good chance with Cornish Granite but two outsiders I prefer are Krug and Weavers Point. Krug ran his field ragged when winning by 15 lengths over 2½ miles at Haydock. He ran a reasonable race in Newbury's Stroud Green. Weavers Point scored an impressive double before a lacklustre display at Huntingdon.

Michael Dickinson seems to have taken the sensible course in withdrawing his top-of-the-ground stayer Compton Lad from the Christie's Foxhunter Chase. There is little doubt that the nine-year-old would have been bogged down. The race could be won by Ireland's Colonel Heather, with Mr Mellors the best of the home contingent.

CHELTENHAM

2.15—Krug***
2.50—Colonel Heather*
3.30—Tied Cottage (e.w.)
4.05—Ballyross
4.40—Prince of Bermuda
5.15—Dramatist

TELEVISION

Chris Dunkley: Tonight's Choice

In the second of three lectures on Radio 3 entitled From Power To Influence marking the bi-centenary of the Foreign and Commonwealth Office, David Watt, director of Chatham House, considers British diplomacy in the 1980s and asks "How deeply and intimately should this island involve itself in the affairs of the outside world?" On BBC-1 Esther Rantzen presents a special edition of That's Life on a subject in which she has become expert: Having A Baby. It is not by chance that the programme straddles the news, starting at 8.30 with a break at 9.00 and the second half beginning at 9.25. It is ITV's turn to present The British Academy Awards and they start at 9.30. Clearly the BBC hope that Esther will grab and withold a lion's share of the audience before the awards programme, fronted by Denis Norden, even starts. The baby programme arises from a survey held last year by "That's Life" which resulted in 6,000 women providing details of their pregnancies and deliveries. The BAFTA Awards may well be dominated by "Brideshead Revisited" which has eight nominations including three for Best Actor and two for Best Actress. Forty Minutes on BBC-2 looks at the activities of the Hunt Saboteurs and in Poems In Their Place Seamus Heaney presents work by W. B. Yeats.

BBC 1

6.40-7.55 am Open University (uhf only). 9.05 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 King Rollo. 1.50 Bric-a-Brac. 2.00 You and Me. 2.15-3.00 For Schools, Colleges. 3.15 Holiday (Sardinian holiday camps, aboard the QE2, the Welsh mountains). 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Mighty Mouse. 4.25 Jackanory with Thora Hird. 4.40 Huckleberry Finn and his Friends. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops
8.00 The Kenny Everett Television Show.
8.30 That's Life — Having A Baby: Special programme of findings and stories from Britain's biggest-ever survey of pregnancy and childbirth, by the "That's Life" team (part 1).
9.00 News.
9.25 That's Life—Having A Baby (part 2).
10.15 Question Time: with Robin Day are Becky Bryan, Norman Fowler MP, Ken Livingstone, Baroness Wootton.
11.15 Film 82 Special: Warren Beatty in conversation with Iain Johnstone.
11.45-11.50 News Headlines.

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
2.00 pm Racing from Cheltenham.
4.20 Arrival of the Water-carrier for Mesopotamia.
4.50 Caught in Time.
5.10 The European City.
†5.40 Laurel and Hardy
6.00 All Creatures Great and Small.
6.50 County Hall.
7.15 News Summary.
7.20 Hard Times.
7.50 The Shogun Inheritance.
8.30 Russell Harty.
9.00 Call my Bluff.
9.30 Forty Minutes.
10.10 Racing from Cheltenham (highlights).
10.35 Poems in Their Place.
10.45 Newsnight.
11.30-12.15 am The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 The Woodlu. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus, presented by Judith Chalmers and Trevor Hyett. 2.45 Cribb. 3.45 How's Your Father? 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News with Andrew Gardner and Rita Carter.
6.30 Thames Sport: Derek Thompson, Allan Taylor and Simon Reed reflect the sporting scene at home and abroad.
7.00 Looks Familiar.
7.30 Rising Damp.
8.00 Falcon Crest, starring Jane Wyman.
9.00 News.
9.30 The British Academy Awards: Denis Norden is the host at the celebrity-packed audience at London's Talk of the Town for the Academy's annual awards.
11.30 What the Papers Say with Peter Paterson.
11.45 Barney Miller.
12.10 am Close: Sit Up and Listen with Dr Anthony Storr.

†Indicates programmes in black and white

All IBA Regions as London except at the following times:

ANGLIA

1.20 pm Anglia News. 2.00 Not For Woman Only. 3.45 Survival. 4.20 Palmerstown. 5.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Bonsoe. 11.30 Loo Grast. 12.30 am The Living Word.

BORDER

1.20 pm Border News. 5.15 University Challenge. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 11.30 Border News Summary.

CENTRAL

12.30 pm The Young Doctors. 1.20 Central News. 4.20 Sport Billy. 4.45 Jason of Star Command. 5.15 Here's Boomer. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 7.30 England Their England. 11.30 Shelley. 12.00 Central News.

GRAMPIAN

1.20 pm North News. 4.20 The Flying Kiwi. 4.50 Sport Billy. 6.00 North Tonight. 6.30 Police News. 6.35 Crossroads. 7.00 It's George. 11.30 Bizarre. 12.00 Seachd Leithean—The weeks' news presented in Gaelic by Angus Peter Campbell. 12.15 am North Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Take the High Road. 2.30 Yesterday. 4.20 Here's Boomer. 4.50 Voyage to the Bottom of the Sea. 6.00 This is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 11.45 Late Night From Two.

HTV

1.20 pm HTV News. 3.45 Square One. 4.20 Here's Boomer. 4.45 The Flying Kiwi. 5.10 Jobline. 6.20 Crossroads. 6.00 HTV News. 6.30 The Cuckoo Waltz. 7.00 Emmerdale Farm. 9.28 HTV News. 11.30 The Great Oppression (America: The New Deal).

HTV Cymru/Wales—As HTV West except: 11.22-11.37 am Am Gymru. 12.00-12.10 pm Mwati. 4.16 Fanfare for Young Musicians. 4.45 Sêr. 5.10-5.20 The Undersea Adventures of Captain Nemo. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 9.30 Hill Street Blues. 10.30-11.30 All Kinds of Everything.

SCOTTISH

1.20 pm Scottish News. 1.30 Bygones. 4.20 Unaccustomed As I Am. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Bodyline. 6.30 Now You See It. 7.00 Take the High Road. 11.30 Barney Miller. 12.00 Seachd Leithean. 12.15 am Late Call.

TSW

1.20 pm TSW News Headlines. 3.45 End of Part One. 5.15 Gus Honeybun's Magic Birthdays. 6.20 Crossroads. 6.00 Today South West. 6.30 Tele Views. 6.40 On the Water. 7.00 Benson. 9.30 TSW Late News. 11.30 In Concert. 12.00 Postscript. 12.05 am South West Weather.

TVS

1.20 pm TVS News. 2.00 Not for Women Only. 3.45 Square One. 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 6.35 Crossroads. 7.00 Emmerdale Farm. 11.30 City of Angels. 12.25 am Company.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 4.20 The Lone Ranger. 4.50 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 9.30 North East News. 11.30 Come In . . . presented by Anna Avery. 12.00 Job Slot Extra. 12.05 am Free Church Congress.

YORKSHIRE

1.20 pm Calendar News. 3.45 Presenting Lena Martell, with Billie Jo Spears and Bjoro Halsod. 4.20 Sport Billy. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 11.30 Ladies' Man.

RADIO

(S) Stereophonic broadcast

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Andy Peebles. 5.00 Peter Powell. 7.00 The Record Producers. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Cheltenham Gold Cup Special with Don Durbridge and Angela Rippon (S). 4.30 David Hamilton (S). 5.45 News; Sport. 6.00 John Dunn (S). 8.00 Country Club (S). 9.00 National Rehearsal Band—All Winners Competition, introduced by Alan Dell (S). 9.55 Sports Desk. 10.00 The News Huddlines. 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.05 News. 9.05 This Week's Composer: Rameau (S). 10.00 Northern Sinfonia of England (S). 11.05 Schubert string quartet recital (S). 11.50 BBC Welsh Symphony Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 "Orphee et Eurydice," opera in three acts by Gluck (sung in French). 4.15 Music for Cello and Piano (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Gian Francesco Malipiero. 8.00 From Power to Influence: Lecture by David Watt, Director of the Royal Institute of International Affairs. 8.00 Bartok, Seiber and Kodaly song recital (S). 10.05 The Battle of Maldon by Menzies McKillop (dramatisation of the poem) (S). 10.30 Stephen Preston flute recital (S). 11.00 News. 11.05-11.15 Vaclav Jan Tomasek (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Town Hall Rules OK? 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.54 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Kaleidoscope. 8.00 Concert from Henley (part 1) Wagner, Mozart (S). 8.45 To Be Saved by John Morrow. 9.05 Concert (Part 2) Brahams (S). 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

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Accountants

Wide Ranging Development Opportunities

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These are flexible open-ended career roles within the head office Financial Division of Abbey National, one of Britain's most progressive building societies.

Following in-depth on-job training across the entire operation of the finance division, the successful applicants will be assigned to specific areas on a day-to-day basis, depending on the Division's needs at any given time. These could include accounting/book keeping; preparation of final accounts; taxation; cash flow planning and forecasting; revenue and capital budgeting; treasury; and investment of surplus funds. In addition, longer periods may be spent on projects arising from the development of the Division's service within the Society.

Applicants should be qualified accountants with a high degree of self motivation and initiative, plus good written and verbal skills. Most important, however, is the ability to tackle a wide variety of work as a member of a highly professional team. Previous experience in a building society or other financial institution would be an asset.

In addition to a starting salary of £12,000 per annum we are offering an attractive range of benefits, including a staff mortgage scheme, subsidised BUPA and generous annual leave, plus excellent opportunities for career development.

Please write or phone for an application form to Kevin McKee, Personnel Department, Abbey National Building Society, UK House, 180 Oxford Street, London, W1N 0AN. Tel: 01-486 5555 Ext. 3124. Quote ref. FD.

ABBEY NATIONAL BUILDING SOCIETY

Chief Accountant

Guinness Peat Aval Limited, a subsidiary of Guinness Peat Group Limited, specialises in trading in forfait paper and is also involved in a number of other banking related activities. As a result of recent expansion in the Company's business, there is a requirement for a Chief Accountant who will be responsible for the regular preparation of the Company's accounts and management reports.

Suitable candidates, aged 27-35, will have a good understanding of all aspects of bank accounting and reporting relating to foreign exchange dealing, Eurobond trading, deposit taking and lending. Candidates may have obtained their experience from a period of employment in a bank, or from involvement in bank audits.

The position calls for a self-starter who will be directly responsible to the Managing Director for the regular production of all accounting and management reports.

Your remuneration is negotiable, but will include usual banking benefits including a mortgage subsidy.

Candidates should write to H.R. Harris, Guinness Peat Aval Limited, 107 Cannon Street, London EC4N 5AY, enclosing a brief C.V.

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Nordic Bank, one of London's leading international merchant banks, is looking for a progressive, recently-qualified chartered accountant to join its financial team. The duties will comprise the preparation of reports for senior management, corporate planning and special financial projects. There will be opportunities for moving to other departments within the bank after a period of two to three years.

Candidates should be well-educated and have some experience in banking or bank audits. An excellent salary and the normal range of banking benefits is available.

Please write to:—

Christopher Tregoning — Associate Director
NORDIC BANK PLC
Nordic Bank House, 20 St. Dunstan's Hill
London EC3R 8HY

ACCOUNTANCY APPOINTMENTS

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Please send your C.V., quoting reference A1/2, to:

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The person selected to fill this position will be a qualified accountant with a strong commercial awareness, together with an ability to make and communicate balanced judgements and to lead the financial team. Whilst age is not a critical factor, the preference is for a person in their thirties.

Salary and other conditions of employment will be in keeping with the responsibilities of the job.

Please apply with full career and other details to: Box A7794, Financial Times, 10 Cannon Street, EC4P 4BY

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New position **North London** **To £17,000+**

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Please phone: Bob Robertson, M.D. on 01-348 1006

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FUND MANAGERS

A leading Accepting House is looking for experienced managers to join its expanding Pension Fund and Private Clients departments.

Candidates should be aged between 27 and 35 with several years' experience of Fund management with either a merchant bank or stockbrokers. A degree or professional qualification would be preferred but is not essential. Knowledge of International markets, particularly those of the Far East, would be a great advantage.

Competitive salaries will be paid according to the experience and abilities of the successful applicants. The usual bank benefits will apply.

Please telephone or write enclosing a curriculum vitae to Peter S. Latham.

Jonathan Wren & Co.
Banking Recruitment Consultants;
170 Bishopsgate, London EC2M 4LX
Telephone: 01-623 1266

JOBS COLUMN

Both here and there • Banks • Complaints

BY MICHAEL DIXON

"THE GERMANS are getting more and more interested in setting up operations in the United Kingdom, you know. It could be reaction to the socialist Government in France," said headhunter John Fulford over the 'phone from Frankfurt.

"Go on," the Jobs Column said.

"Well there's a chap who has a big recruitment consultancy over here who figures that if his fellow countrymen want to develop operations in the UK then they'll be needing British managers to run them. So he's going to open an office over there to find out what sort of people employers over here want to recruit over there, and go out and find them over there."

"Just a second," I asked, "whereabouts are we at this stage?"

"I'm over here and you're over there," he explained. "But there's a complication. If this chap's going to have an office recruiting managers over there on behalf of employers over here, then he'll first have to recruit someone on his own behalf to set up and run the office. So he has asked me to help to find the right person. . . . Are you still with me?"

"Not unless you're now over here," I said.

"Metaphorically speaking, I am," Mr Fulford replied, "because the job needs somebody with first-hand knowledge of the British business scene. Mind you, as well as English, whoever takes the job will need fluent German and a feel for international business dealings. Experience with an international company would be a good background, not necessarily in recruitment or even personnel; marketing might even be better."

He added that the newcomer would probably be engaged on some sort of partnership basis and expected to earn £30,000 to £40,000. Perks would include a car.

Like all recruitment consultants mentioned in this column who may not name their client, John Fulford guaranteed to honour any applicant's request not to be identified to the employer without further notice.

"And there's something else," he said. "I'm also looking for somebody to run my own company's office in Germany, which is well established now. There's a need for thorough understanding of German business, of course. But apart from that the qualifications and terms of the job are just about identical, so for the right candidate who really wants to head a recruiting operation, there's effectively a choice of two countries."

"Does that mean you're not going to stay over there," I asked.

"Me?," he said. "Oh no. I'm going to live in Brussels."

Meanwhile written applications should be sent to him at Grosvenor Stewart, 117 George Street, London W.1. Telephoned inquiries to Mr Fulford's assistant, Trudy Coates, at Hitchin (0462) 55303.

Scattered trio

RECRUITER Noel de Berry is in the market for a trio of assorted bank folk, two senior, one less so.

The first will work at the headquarters of a regional bank in the east of the United States as vice-president in charge of foreign-exchange dealings. There will be responsibility for calls on customers as well as for co-operation with the bank's branch in London.

Candidates should have success in foreign-exchange dealing, and preferably already be of managerial rank and at least 40 years old. Salary indicator is dollars equivalent to £30,000. Help with accommodation and car-purchase if needed.

A condition of the job is that the recruit guarantees to stay at the bank's headquarters for at least three years. So the chosen candidate and spouse will visit the location free of expense before accepting the appointment.

The less senior post is in London as a member of the corporate finance section of a Swiss investment bank. The newcomer will be responsible for Eurobonds documents and drafting of prospectuses, in consultation with clients and lawyers.

Applicants should have experience in documentation with an investment or merchant bank in London, be in their mid-20s, and have knowledge of credit analysis. Salary negotiable around £12,500, with usual banking perks.

The third job is in the Middle East—"not Saudi," is all Mr de Berry would say about the location—in charge of foreign-exchange and deposit dealing for an offshore joint-venture bank.

Candidates need to be second or third in the dealers' pecking order in an international bank in a major financial centre, preferably London.

Salary U.S.$60,000 plus bonus. Expatriate benefits include accommodation and Mercedes 230.

Inquiries to Noel Alexander Associates, 70 Queen Victoria Street, London EC4N 4SJ; telephone 01-248 2256, telex 8812703.

Engineers

WHILE we're talking about the Middle East, Antony Taylor of the Recruitment Partnership is seeking an unspecified number of graduate engineers to work, this time in Saudi Arabia, in senior capacities. At least five years experience in petrochemicals, preferably in exploration and development work, is wanted.

Specialisations in demand include well-stimulation—acidising and fracturing, artificial lifting—gas lift and well flow, production forecasting, production project engineering including co-ordination of special field tests, co-ordination of new facilities, reservoir engineering including determination of new and established reservoirs, and drilling and workover—both field and office assignments.

Salaries will be up to £27,000 tax-free. Expatriate perks including, after short initial period, married accommodation.

Inquiries to Court Chambers, 2 Coniscliffe Road, Darlington DL3 7RG; tel. 0325 55426, telex 587259 Recpar G.

Box numbers

NOW to the complaints department—on the particular, and somewhat hoary subject of jobs which are advertised only under box numbers.

To respond to such an advertisement is always to offer a hostage to fortune, and the probable reluctance of first-rate workers to do so may partly explain the growth of "middleman" recruitment consultancies. But I cannot support the argument of some readers that it is morally wrong for employers to place or the media to carry advertisements under box numbers. The onus is on the person responding to conclude that the advertiser has an urge to be secretive, and to tailor his or her inquiry and expectations accordingly.

That does not, to my mind, free the employer or agency concerned from the obligation to acknowledge all inquiries—and not just by a miserable duplicated slip of paper, either. It is perfectly possible for people with half a mind and a touch of decency to write a polite letter without disclosing their company's name.

But it is absolutely unwarrantable for any box-number advertiser to neglect to return the career details of people whose applications are not to be taken further. Such applicants are entitled to have their resumés back together with an assurance that no copy has been kept. And if they don't receive that entitlement within a reasonable time from the advertiser, there is surely an obligation on the journal which carried the advertisement to obtain and return the documents to the applicant.

ROBIN DAVIS is claiming a record. On September 7, he applied for a top job advertised by the Greater London Enterprise Board. An acknowledgement arrived on September 25. But he had to wait until mid-February to hear that he was not to be interviewed.

CHIEF FX DEALERS

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The appointment will normally be for one year in the first instance. Salary will probably be within the University lecturers' scale, the maximum of which is currently £12,860.

Applications are welcomed from graduates who have pursued a professional or academic career in accountancy.

Please contact P.J. Williamson at the address below for further information and application details. Alternatively, for an informal discussion telephone Professor K. Hilton or Professor A.M. Bourn at the University, Southampton 559122. The closing date for completed applications is April 30, 1982.

Arthur Young McClelland Moores & Co., Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH Telephone: 01-831 7130

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Personal qualities must include a strong but agreeable personality, supported by a creative and imaginative approach to business opportunities.

The remuneration package is negotiable and will be fully commensurate with the importance attached to the post.

Please write in confidence, quoting reference 4146/L, to L. Elliott, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.
Executive Selection Division

COMPANY SECRETARIAL ASSISTANTS

As the largest subsidiary in the Unilever Group, UAC International has a wide range of investment and management interests in a number of industries, specialised merchandising, distribution and service enterprises throughout the world. Re-organisation within the Group Secretariat has created two interesting openings for young Chartered Secretaries at our Head Office in London.

The Secretariat, which is staffed by a professional team, provides a comprehensive company secretarial and advisory service to the Group and its associated companies which include 12 large public companies *overseas*. The work is, therefore, very varied and far reaching offering considerable experience to the right people.

The first opening is an important management appointment and would suit a Chartered Secretary aged 24-36, with at least two years' post-qualification applied experience of Company Law and Company Secretarial practice. A high standard *of written English and a knowledge* of French to at least a good 'O' level standard is required together with the ability to communicate at all levels.

The second opening offers an opportunity for a younger Chartered Secretary with some post-qualification experience in a commercial environment. A high standard of written English and the ability to communicate at all levels is also required for this position.

Excellent salaries, commensurate with experience and responsibility held will be offered, along with a generous benefits package.

For further information write in the first instance to:
Roger Harvey, Recruitment Manager,
UAC International Ltd., PO Box 1,
UAC House, Blackfriars Road,
London SE1 9UG.

UAC International

Unit Trust Dealer and Assistant Dealer

Applications are invited for these two new positions which have arisen as a result of plans to expand the activities of Abbey Unit Trust Managers.

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The dealer will be responsible for the supervision of unit pricing, the accurate production and timely despatch of contract notes, the maintenance and analysis of business figures and supervision of other related activities. The provision of a courteous and helpful service to professional intermediaries and the general public in the normal course of buying and selling units is paramount.

Candidates should have a clear understanding of investment markets and previous experience of dealing in stock exchange securities is essential.

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The assistant will process the dealing documentation as well as helping the dealer in all aspects of the work. Candidates should be numerate, and have a good general education. A good telephone manner is essential; previous experience in the use of word processors and/or micro computers would be an advantage, so too would be the ability to type, although not essential.

We offer highly competitive salaries together with a full range of benefits including free travel warrant, non-contributory pension plan and mortgage subsidy scheme.

Please write or telephone for an application form to: J. Clark,
Abbey Unit Trust Managers Limited,
1-3 St. Paul's Churchyard,
London EC4M 8AR.
Tel: 01-236 1555.

Abbey Unit Trusts

Larpent Newton & Co Ltd

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Our clients' main business is advising Institutions on their investments in small and medium sized unquoted companies in UK and overseas, and developing and supervising such companies in a continuing relationship. They now seek two Assistant Directors, aged 30-40, to support and eventually to join the present team of four Directors.

Applicants must combine working knowledge of Corporate Finance and "the City" *with substantial practical experience of the problems and decisions* faced in Industry/Commerce.

Our clients' business is run on the lines of a professional partnership. The new people must enjoy this style and be prepared to cope, on their own *initiative, with a heavy work load and a wide variety of assignments.*

Initial salary will be by negotiation, in the range £16,000-£20,000.

Please contact Colin Barry or Digby Dodd at Overton Shirley & Barry, (Management Consultants), 2nd Floor, Morley House, 26, Holborn Viaduct, London, EC1A 2BP. Telephone 01-353 1884.

Overton Shirley and Barry OSB

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Accountants who currently carry positions of responsibility in a wholesale banking environment. Specific knowledge of FX, commodity trading or portfolio management systems would be an advantage.

DP systems designers who have worked on wholesale banking systems or have a specific knowledge of banking package software.

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Please write in confidence to David Prosser,
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London SE1 9SY quoting MCS/3927.

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Candidates with a strong international economic background, but whose direct portfolio management experience is other than in U.S. Equities, will also be considered.

The salary will be competitive and in addition there is a wide range of company benefits. Working conditions in Shell are excellent, as are the sports and social facilities that are available. Please write with full resumé of your career or telephone for an application form to:

Shell International Petroleum Company Limited, Recruitment Division (FT), PNEL/27, Shell Centre, London, SE1 7NA. Telephone 01-934 2495.

Shell

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Applications are invited from men and women aged ideally between 27 and 40. They should have a wide knowledge of company law and current experience which effectively relates to the above responsibilities. A knowledge of the law of copyright would also be particularly helpful. They should ideally be graduate solicitors and have membership of the Institute of Chartered Secretaries and Administrators. They must be able to cope with pressure in the work environment. Ideally candidates should have a personal interest in the arts, theatre, films, television, or other creative activity. The starting salary is very attractive and should not prove a limiting factor to an outstanding candidate. Benefits include a non-contributory pension, life insurance, sickness schemes and other benefits relevant to the group's business activities. Help may be given with re-location to this attractive area if appropriate.

If you would like to discuss this appointment in confidence you are invited to telephone Robert Purvis who is personally advising our client on all stages of this appointment. He will be available at Upton Bishop (0989-85) 426 on Thursday, 18th March, between 7 p.m. and 11 p.m. Alternatively please write or telephone Mrs. Mary Prosser at our Hereford office for a Personal History Form quoting reference RPI/RGP/022. No contact will be made with candidates' present or past employers without their authority.

Robert Purvis International Limited

Executive Selection Consultants
22 Broad Street, Hereford HR4 9DR. Telephone: Hereford (0432) 69668

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c. £15,000

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Write for an application form or send brief CV to the address below, *quoting ref: AA34/7926/FT on both letter and envelope*, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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We manage more than £2000m of funds for pension funds, unit trusts, insurance companies, trusts and other private portfolios.

The ideal man or woman is likely to be an analyst/fund manager with a stockbroker/insurance company/bank who wants to move into specialist fund management.

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The remuneration package will include a profit sharing scheme, mortgage facilities, BUPA and non-contributory pension scheme.

Please write, in confidence, with full career details, stating present salary to: Mavis Clark, Personnel Manager, Hill Samuel Investment Management Limited, 45 Beech Street, London EC2P 2LX. Telephone: 01-628-8011.

Hill Samuel Investment Management Limited

HS

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Unit Trust Consultants

London Manchester Bristol

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Please write or telephone for an application form to: J. D. Bourne, Abbey Unit Trust Managers Limited, 1-3 St. Paul's Churchyard, London EC4M 8AR. Tel: 01-236 1555

Abbey Unit Trusts

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Please write in confidence to Tim Summers.

Laurie, Milbank & Co.

LM

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BANKING

FINANCIAL ACCOUNTANT

A London bank with an enviable market reputation offers an interesting position to an A.C.A. with banking or finance area experience. Working with the Financial Controller and his existing team, the appointee will be involved in a wide range of financial accounting and bank reporting exercises, including various accounting based projects. c£10,000

CREDIT ANALYST

A notable U.K. bank seeks a trained analyst for the international loans division. Formal training in credit analysis from a recognised 'name' is required and a degree or A.I.B. would be a distinct advantage. Duties will include the evaluation of both corporate and country risks. c£10,000

EUROBOND SALES c£20,000

Resourceful Eurobond sales people are currently required by two prestigious London banks. Main areas of experience required will be a sound knowledge of the placement of convertibles and other equity related instruments, the management of new issues and experience of $ straights. Knowledge of European or Far East languages would be an advantage, and it is expected that candidates will have a good level of education and excellent presentation.

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF

SEARCH AND RECRUITMENT FOR THE WORLD'S BANKS

CONTRACTS ADMINISTRATOR

(ABERDEEN)

Required by an expanding and successful UK company engaged in offshore hook-up, with onshore engineering and construction activities.

The successful applicant will ideally be aged between 25 and 35 and have first-class experience in the contracts department of a major construction company.

A sound knowledge of legal matters is essential, as the successful applicant will have to liaise with company lawyers, advise on enquiry contracts, prepare contracts for sub-contractors and be responsible for ensuring correct logging and issuance of contractual documents.

This very demanding position would provide an excellent opportunity for the highest calibre person, with drive and initiative, to work on various diverse and interesting projects.

Salary is negotiable and an attractive benefits package will be offered.

Please reply with full c.v. to Box A.7797, Financial Times, 10 Cannon Street, EC4P 4BY

Development Director

City financial institution — **from £35,000 + annual bonus**

Our client is e highly successful, quoted financial house with e first-rate profit-growth record. Its future expansion will be achieved partly by internal growth and partly by acquisitions *within the UK and overseas; these* acquisitions will be both to expand the existing international operations and to continue the development of this broadly-based financial services group. It requires an experienced Development Director, who is likely to be in the late thirties, to implement this strategy. Reporting directly to the Chairman, you will be responsible for planning the acquisition strategy in detail and implementing it. This will make you the key individual in the company's evolution, and your position and remuneration will reflect this. To be considered for this appointment, you will require e strong grounding in Corporate Finance and ideally in Bids and Deals. In addition, you must also show *practical experience of this level of corporate planning* combined with highly developed skills in strategic thinking, in taking the initiative and in implementing decisions. Write for an application form or eend brief CV to the address below, *quoting ref: AA38/7924/FT on both letter and envelope,* and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

What's a Unit Trust Adviser doing in a Life Insurance company?

In a move that's brought Allied Hambro into the Hambro Life Group, we've created an exciting new opportunity.

It entails advising on the whole Allied Hambro range of unit trusts to stockbrokers, mostly in London.

The right person will be between 27 and 40. He or she will enjoy discussing equities and probably have experience in an investment department or unit trust company.

There's a five figure salary, a company car, a discretionary bonus, non-contributory pension scheme, free BUPA cover, and after a qualifying period, a share option scheme.

Write to Mike Bateman, Executive Director, Hambro Life Assurance plc, 7 Old Park Lane, London W1.

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This opportunity is open to both men and women.

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East London — c£15,000+ car

Our client is a well-established substantial group of companies, with its headquarters in Switzerland and with worldwide connections, specialising in import and export freight forwarding from their base in East London and from branches around the U.K. Due to impending retirement they now seek a qualified accountant as group financial controller.

The successful candidate will be responsible to the group managing director for every aspect of the *finance and accounting function*, with particular emphasis on the further development of information systems, budgetary control and cash forecasting, together with the control of an extensive accounts department. Systems are largely centralised and extensively computerised.

Those applying should be qualified ACA/ACCA, mature and widely experienced, and preferably with an appreciative understanding of foreign agency operations. The right person will be of the calibre necessary to become an essential part of the senior management team. The salary is negotiable around £15,000 p.a. plus car, contributory pension and BUPA.

Applicants, male or female, should write in confidence with details of previous experience and current salary, quoting reference L.1803 to J. W. Hills at:

Annan Impey Morrish,
Management Consultants,
40/43 Chancery Lane,
London WC2A 1JJ.

A.I.M.

Information Systems Manager

London based — c.£30,000

for a major banking group committed to an aggressive information systems development schedule for international operations.

Responsibility will be for planning, developing and implementing a wide range of new systems in line with the changing business environment, and for controlling the data processing function including computer operations.

The requirement is for a senior systems management professional experienced in successfully developing major systems in an international banking or commercial environment. Preferred age is over thirty-two. There are considerable opportunities for overseas travel.

An excellent remuneration package will be provided, including car, low interest mortgage, and other significant benefits.

Please write enclosing a comprehensive CV, or telephone for an application form to ANTHONY SPURR, Executive Selection Division, quoting reference G1044. Applications are invited from either sex. The strictest confidence will be maintained.

BIS Applied Systems Limited
York House, 199 Westminster Bridge Road
London SE1 7UT
Telephone 01-633 0866

BIS Applied Systems

GILT DEALER

required for Leading Firm of Stockbrokers

Attractive salary. Good career prospects for right applicant. Experience in Short Bond Market preferred. Apply in confidence with C.V. to Box A7801, Financial Times, 10 Cannot Street, EC4P 4BY.

BLUE CHIP OPPORTUNITY

A small but highly profitable Firm of Scottish Stockbrokers is looking for a young partner to share in the workload and participete in the profits.

Qualifications should include an all-round knowledge of Stockbroking covering private clients, Institutions and Dealing.

If you are at all disillusioned with your present Firm and seeking genuine prospects of edvancement please write to Box A7800, Financial Times, 10 Cannon Street, EC4P 4BY.

All replies will be treated in the strictest confidence

BEAMA

CHIEF EXECUTIVE

The British Electrical and Allied Manufacturers' Association Limited (BEAMA) employing 100 staff is a Federation of 16 trade associations serving the Electrical, Electronic and Allied Industries throughout Britain.

The Chief Executive will be responsible to the President and Council for the administration of the Federation and management of Trade Association Services.

The successful candidate will be required to represent the interests of the Federation in relation to Government Departments, European/International organisations and Specialist Committees including: CBI Council and Committees: National Economic Development Office: British Standards Institution: CENELEC: International Electrotechnical Commission and ORGALIME.

Candidates must be self-reliant with a sound administrative and diplomatic capability. Engineering qualification and experience would be of advantage as would knowledge of the Electrical and Electronic Industry and its outlets, including an understanding of trade association work. A second European language would be helpful but is not essential. The location is in Central London and the Chief Executive will be expected to travel overseas occasionally. Salary will be by negotiation based on experience. A contributory pension scheme is available, along with other benefits.

Applicants able to satisfy these requirements are invited to apply with full c.v. to:

H. Bradshaw, Deputy Chief Executive
BEAMA, 8, Leicester Street, London WC2H 7BN

BEAMA

MERCHANT BANKING

Baring Brothers & Co., Limited

TRAINEE PORTFOLIO MANAGER

Barings require a Trainee Portfolio Manager to work within a small team managing 'Gross Funds'.

The job would appeal to a graduate with at least 2-3 years experience of investment analysis, probably gained from working in a firm of Stockbrokers, who now would like to broaden his/her experience. Some knowledge of property companies would be an advantage but not essential.

Salary will be negotiable according to age and experience. Benefits include low interest mortgage and non-contributory pension scheme.

Applications enclosing a c.v. should be sent to:-
Miss E. Williams,
Baring Brothers & Co. Limited
8 Bishopsgate, London EC2N 4AE.

INTERNATIONAL BANKING

To £16,000+benefits

Our clients are an international bank who are currently expanding their Worldwide Communications Support Group based in London. Opportunities exist to join a small group of highly qualified professionals who, collectively, are responsible for the planning, development, implementation, operation and support of the bank's international voice and data communications services.

BANKING OPERATIONS OFFICER

To provide liaison with the users (e.g. the bank's branches). This is a senior position reporting to the Manager of the Support Group. The individual will have proven experience of banking operations, (ideally with an international bank), together with a broad appreciation of computers and communications. The individual's primary role will be to maintain a continuing dialogue with the users to ensure that their requirements can be met, economically and to their satisfaction.

S.W.I.F.T. DEVELOPMENT ANALYST/PROJECT MANAGER

To specify and install SID's in the bank's overseas branches. The individual will be required to handle each project from the initial specification through to implementation, user training and cut-over. Candidates will have proven experience of S.W.I.F.T. and be able to tailor SID options to satisfy the branch requirements. Experience of DSL and/or ST100s would be an advantage.

Applicants for both these positions must be highly presentable and be able to communicate with management at all levels. Both positions will require short trips overseas.

Our clients are able to offer a very competitive benefits package as normally associated with a large financial institution. Successful candidates can expect excellent career prospects within a challenging and fast developing technical environment.

Please write giving your full career details or telephone Lina Lotto, on 01-487 5781 (until 9p.m.)

FOCUS

TELECOMM
RECRUITMENT CONSULTANTS
28a Devonshire Street
London W1N 1RF

SENIOR SALES EXECUTIVE

Based London (City) — **Salary package around £16,000 + car**

The Financial Services Division of The Exchange Telegraph Company Limited, a leading supplier of information to the Press and financial community, requires an experienced Sales Executive, reporting to the manager of the division to develop sales and marketing in the British Isles.

Applicants will be highly motivated, have a proven sales record in a financial environment and preferably have knowledge of Stock Exchange practices and computerised information systems.

Please reply, giving full details of your career, to:

The Personnel Manager
The Exchange Telegraph Co. Ltd.
Extel House
East Harding Street
London EC4P 4HB

Extel GROUP

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The premier name in Banking Appointments.

LENDING OFFICER—UK

Age: 28-35 — c. £20,000 + Car

Your ability to prospect and develop profitable new lines of credit with UK corporates could be used to even greater effect in the expansion of the corporate activities of our client a major Continental Bank.

For further information please contact MARK STEVENS

FINANCIAL ACCOUNTANT

Age: Late 20's — c. £16,500

Capitalise on your recently acquired C.A. by joining one of the City's leading Merchants Banks, as Assistant to the Financial Controller. Post-qualifying experience of bank reporting procedures is highly desirable as is the possession of AIB.

Please contact TREVOR WILLIAMS

NEW BUSINESS REP.—S.EAST

Age: 25-30 — c. £10,000

Current success in securing new business within the Finance industry could qualify you for a new role within the London banking subsidiary of a major U.S. Leasing Company. Their business is property-based lending in the main, and career prospects are excellent.

Please contact MARK STEVENS

41/42 London Wall, London EC2. Tel: 01-588 0781

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Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

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Bank Recruitment Specialists

No. 2 F.X. DEALER — Negotiable

Opportunity with an expanding international bank, demanding a mature F.X. Dealer (aged 30s) with upwards of 6 years' all-round exchange & deposit dealing experience, the emphasis being on spot/forward $/£.

F.X. DEALER (Arabic-speaking) — Negotiable

Based: London. The essential requirements are around 3 years' F.X./Deposit dealing experience, and fluency in Arabic & English. Age: 20s.

REPRESENTATIVES — to £10,000+car

Our client, based in the City, seeks a Finance Representative (aged 25-35) with sound commercial mortgage experience. Additionally, an opportunity exists with an international bank for a similar person with leasing experience. Both positions offer normal bank fringe benefits (in the former case including a car), and excellent prospects.

LENDING OFFICER (SNR.) — c. £20,000

Substantial international bank seeks an aggressive lending banker, aged 29-36, with a proven track record in the development of an international bank's U.K. business.

EXPORT FINANCE — to £12,000

Responsible appointment with a well-regarded, expanding international bank, requiring a sound background in credit analysis coupled with in-depth knowledge of E.C.G.D. procedures gained within a merchant or international bank. Age: late 20s/early 30s.

CREDIT/LOANS — to £12,000

Opportunity to acquire comprehensive exposure in an unusually varied credit/lending role with one of the world's largest banks. Current experience is required in Euro/Sterling loan admin. (including customer contact and credit analysis), coupled with a previous background encompassing other areas of international banking. Age: 27-33.

For further details, please telephone Ken Anderson or Leslie Squires on 01-248 7421 or 01-248 8876

Anderson, Squires
Bank Recruitment Specialists
Regina House, 1-5 Queen Street
London EC4N 1FP

Anderson, Squires

Chief Executive

Our clients are looking for a vigorous and aggressive Chief Executive to spearhead a new computing marketing venture.

Advanced hardware is up and running and the software is thoroughly tested. Markets have been identified and line management appointed. Adequate finance is being arranged.

The selected candidate will have a clearly demonstrable record of success in running a company with turnover of at least £2-4 million — not necessarily in computers. Substantial remuneration package plus rewards geared to success via share options.

Please write with full c.v. to Tony Ward, Director, Lockyer, Bradshaw & Wilson Limited, North West House, 119/127 Marylebone Road, London, NW1 6PU

BANKING APPOINTMENTS

DEALERS ASSISTANT (BULLION) — c. £10,000

Our client, a major end respected European bank is currently looking to recruit e person 21-25 with et leest three years exposure of the bullion market covering settlements, positions etc.

The successful applicant will commence as an assistant to a highly professional team of bullion dealers.

Please contact Brenda Shepherd

MANAGER – LOANS ADMINISTRATION — c. £12,500

Opportunity to take over this busy department in an American Bank. The successful candidate will have in-depth experience of loans administration, obvious man-manegement skills, the ebility to solve problems and work easily under pressure. Age 27-35.

Please contact David Little

EXPORT FINANCE — to £12,000

A major bank has e vacancy for an experienced banker who is thoroughly conversant in medium term buyer and supplier credits.

This would be for en edministration role but would involve considerable client contact and negotiating with ECGD etc., a knowledge of documentation would be en edvantage. Age 25-30.

Please contact Brian Gooch

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate - London EC2M 4LX · 01 623 1266

Economist

Abbey Life Investment Services (ALIS) is responsible for the investment management of assets in excess of £1400m on behalf of group companies including Abbey Life and Excess Insurance.

An Economist is required to provide members of ALIS with professional advice on prospective economic and financial developments.

The successful candidate is likely to take on asset management responsibilities over a period of time.

To achieve this aim, the Economist will be engaged in economic, interest rate and currency forecasting. Detailed work will specifically be required on the UK economy.

For this important position candidates must have a minimum of 3 to 4 years relevant econometric experience and be able to demonstrate good judgement, initiative and communication skills. A good Economics degree and a keen interest in financial markets is essential.

The rewards are substantial and negotiable, dependent on your experience. A comprehensive range of fringe benefits include, a non-contributory pension, free life assurance; mortgage subsidy scheme and travel warrant, both after service requirements.

If your qualifications and potential match our requirements, please apply, in confidence, enclosing curriculum vitae to:

J. A. Gough,
Abbey Life Investment Services,
1-3 St. Paul's Churchyard,
London EC4M 8AR.

Abbey Life Investment Services

Merrill Lynch International Bank

Senior Credit Officer

Merrill Lynch International Bank is expanding its lending and other credit related activities. This growth requires the addition of an experienced international Credit Officer who will report to the Director, Banking. Responsibilities will include a strong role in defining credit policy, portfolio management policy, developing credit administrative procedures, supervising and training credit administrative staff, reviewing proposals submitted for approval and active participation in structuring complex credits.

A minimum of 10 years of credit related experience is necessary. The candidate will have a varied background with a major international bank including significant line lending experience covering a variety of geographic and product areas. Education to a degree level with additional credit related professional training and course work is expected.

An attractive compensation package is negotiable. Location is London with some travel necessary.

Please write giving details of your career to date to:
Nigel T. Carter, Recruitment Officer,
c/o Merrill Lynch International Bank Ltd.,
Merrill Lynch House, 27 Finsbury Square,
London EC2A 1AQ.

Merrill Lynch

BUSINESS DEVELOPMENT MANAGER
£20–23,000

Our client, a London based International bank, seek a banker with a proven track record in business development.

Applicants should be aged in their late twenties to late thirties. While a formal business/banking qualification is desirable, fluency in both French and English is essential.

The position entails marketing the services of the Bank, to new and existing clients, in Africa, France and the U.K.

To achieve the above, experience should be as follows:—

* Experience of business development in French speaking Africa.
* Credit and trade related transactions including letters of credit and ECGD.
* The ability to formulate and implement a business development strategy in conjunction with senior management.

A comprehensive range of benefits apply, including a company car and low cost mortgage.

Please telephone or send detailed C.V. to Brian Gooch or Diana Warner

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Scrimgeour, Kemp-Gee & Co

Members of The Stock Exchange

are seeking

AN INSTITUTIONAL EQUITY EXECUTIVE

The most important qualifications are enthusiasm, awareness of the Market, an interest in fundamental research and the ability and ambition to develop relationships with people. The successful candidate will have some experience as a fund manager, analyst or sales executive and will be joining an existing sales team. Career prospects are excellent and the competitive remuneration will include participation in the firm's profit-sharing scheme.

Please write, in confidence, to
Colwyn Philipps, Scrimgeour, Kemp-Gee & Co.,
20, Copthall Avenue, London, EC2R 7JS

MANAGING DIRECTOR

The William Moss Group Limited is seeking to appoint a Managing Director for its subsidiary, Access Equipment Ltd., located at Hemel Hempstead, Herts.

Established over 25 years. Access Equipment Ltd. is one of the leading manufacturers of access equipment in aluminium and steel including hydraulics. In addition it has a large rental operation throughout the United Kingdom.

The successful applicant should have held a similar position, have a proven record and be able to demonstrate that be/she has sound practical engineering as well as commercial experience.

Salary is negotiable and there are significant additional benefits.

Applicants should write, enclosing a c.v., to.
T. F. James, FCIOB, FFB, Chairman
The William Moss Group Ltd.
North Circular Road, London NW2 7AD

Shipping Banker for Hong Kong

Bankers Trust Company is seeking a young banker to join its Hong Kong office to handle major account-relationships and business development of shipping companies within the Far East.

Applicants will be in their mid to late twenties and have a minimum of three years experience of the shipping industry in the shipping department of a commercial bank. They must also possess strong credit analysis, business development and communication skills.

We will offer an attractive salary, commensurate with experience and qualifications, plus fringe benefits normally associated with a first class banking institution.

Applications, which will be treated in complete confidence, should be submitted in writing with a full curriculum vitae to Mr. P. C. Taber, Personnel Division.

Bankers Trust Company
Dashwood House, 69 Old Broad Street, London EC2P 2EE.

The F&C Group

Investment management group

Assistant required in company secretarial department

£6,000–£8,000 + attractive fringe benefits

The successful candidate will be a recently qualified (or advanced student) of the I.C.S.A., in early to mid-twenties with at least two years commercial experience.

The duties will be broadly based with good career prospects.

Please write giving comprehensive details of education and career to:

I.S. Mitchell,
F. & C. Management Limited,
1 Laurence Pountney Hill,
London EC4R 0BA or
telephone 01-623 4680 for further details.

FINANCE & ADMINISTRATION CONTROLLER

A high technology manufacturing company in the South Midlands seeks to appoint a Finance and Administration Controller who will report to the Managing Director, with the possible opportunity to come onto the board of directors at a later date.

The company is a European market leader in its field with current and planned export oriented expansion at a rate of forty per cent per annum. The target is £5 million turnover within three years from current turnover of approximately £2 million.

The job is to provide effective financial control of the company, both in the UK and in its overseas sales activities and to develop the computer based administration and operational systems necessary now and in the growth situation already described.

The successful candidate will be professionally qualified and have had experience in light/medium engineering, preferably in custom built products with a high technology content, and unit values of up to £250,000. It is important that this experience will have been gained in growth situations and that success in dealing with problems thus arising can be demonstrated. It is unlikely that anyone under 35 years of age will have the degree of experience required.

The terms of employment, including salary, are negotiable, but the latter will not be less than £12,000.

Applicants are invited to write, stating how they meet these requirements, to:
Box A7795, Financial Times, 10 Cannon Street, EC4P 4BY

MANUFACTURERS HANOVER LIMITED

Manufacturers Hanover Limited has a rapidly expanding Portfolio Management team which requires an additional Investment Manager. The position offers responsibility and an opportunity to pursue a challenging career.

Applicants should have experience of managing fixed income multi-currency portfolios.

Salary is negotiable and supported by a generous fringe benefits package.

Hand-written applications, including complete details of previous experience, should be sent to:

Mr. J. E. W. Bamford
Assistant General Manager
Manufacturers Hanover Limited
8 Princes Street London
EC2P 2EN

OVERSEAS

FOREIGN EXCHANGE DEALER—CAIRO c. $60,000

A senior foreign exchange dealer is required by an international bank located in Cairo. Candidates must be very experienced in most currencies, spot and forward and deposits. At least four years' experience on the boards is required. Contract is for two years and is renewable.

U.K.

LOAN SYNDICATIONS c. £14,000

A major international bank is seeking experienced syndicator to take on a responsible role in lending department. Applicants will be suitably qualified, aged early 30s and be able to speak a foreign language. Ideally someone with a credit analyst background who has moved into marketing and now wishes to take on a more administrative role assisting the department head.

FRN DEALER c. £14,000

An international bank requires an FRN dealer with at least two years' experience and a thorough knowledge of the FRN market. Very good prospects for the right person.

MANAGEMENT ACCOUNTANT c. £14,000

A qualified accountant aged early 30s is required by an international bank. Candidates must have a sound knowledge of banking accounting systems, management accounts and be able to undertake ad hoc projects.

CREDIT ANALYST c. £12,000

Experienced credit analyst is required by a major international bank. Candidates must have had at least two years' experience in credit analysis, be aged late 20s, and have had exposure to Eurocurrency loans for government and corporate borrowers.

LJC Banking Appointments Ltd.
170 BISHOPSGATE LONDON EC2M 4LX
01-283 9953

MANAGING DIRECTOR

required for wholly-owned subsidiary trading company with a turnover of £25m+. The main activities of the subsidiary include printing equipment, reprographic, and supplies and information systems. Branches are in the Far East, Australia and Africa with principals worldwide. Location London, but may change with thrust of business.

Suitable applicants should be aged 35+ and possess strengths in product marketing and finance and have an impeccable record of control needed by a world-wide organisation. Applications to:—

Box No. 4606,
c/o Extel Advertising,
4 Bouverie Street, London EC4

BOLTON METROPOLITAN BOROUGH

CHIEF EXECUTIVE
£24,993 - £26,316
plus Lump Sum Car Allowance

The present Chief Executive, Mr. Brian Scholes, retires on 30th September 1982 and the Council is seeking to appoint a successor.

The Chief Executive, as head of the Council's paid service, is its principal adviser and is responsible for implementing the Council's policies. The post is free from direct departmental responsibilities but has oversight of four Central Units which provide Legal, Personnel, Public Relations and Chief Executive Support Services.

Applicants must demonstrate substantial top management experience and achievement, not necessarily in the local government service. No particular professional discipline is required, but the Council is looking for managerial ability of the highest calibre.

Application forms, to be returned by 2nd April 1982 and further information can be obtained from the Personnel Officer, Town Hall, Bolton BL1 1RU (Tel. 0204 22311 Extns. 587 and 6105).

Forex Dealers
(SPOT)

Vacancies now available for spot dealers in early 20's with old established foreign bank in City.

Experience essential – languages advantageous.

Remuneration in line with responsibilities.

All enquiries will be accorded strictest confidence. Please write with full details quoting reference 1768 and listing separately those companies to whom you do not wish details to be sent. Applications will be forwarded directly to our client.

Charles Barker
RECRUITMENT ADVERTISING SERVICES
30 Farringdon Street, London EC4A 4EA. 01-236 3011

Tax Analyst

A challenging and exciting position at the corporate level working closely with the European Tax Counsel. In this position you will gain experience with respect to a number of different tax matters involving Sperry's European subsidiaries. You will be involved in a wide variety of financial and statistical analyses, reports and studies for a high-technology American corporation. You can also assist in establishing a computerised data base to aid the tax department in tax planning and compliance.

You must be a qualified Accountant with at least three to five years' experience. You should also have good oral and written communicating skills and have a well-organised, logical approach to problem solving. Prior tax experience would be a definite plus.

Please send a copy of your c.v. to:
George F. Canning, Staff Vice President — Personnel,
Sperry Corporation, 78 Portsmouth Road, Cobham,
Surrey KT11 1JZ.

SPERRY

ASTLEY & PEARCE LIMITED
ARBITRAGE BROKER

We require a person of several years' experience in both forward foreign exchange and deposit markets to co-ordinate the Dollar/Sterling arbitrage operations of our Euro-sterling department.

An excellent remuneration package will be offered.

Please reply in confidence to:

Mr. J. N. M. Cheetham, Director
ASTLEY & PEARCE LIMITED
80, Cannon Street, London, EC4

GODSELL & COMPANY LIMITED

Foreign Exchange and Currency Deposit Brokers
International Money Brokers

We have a vacancy for a Telex Broker with Currency Deposits experience. Please send Curriculum Vitae to:

Mrs. S. Kirby
GODSELL & COMPANY LIMITED
Marlon House, 71/74 Mark Lane
London EC3R 7HS

Principal Dealer

A well-founded European Bank opening shortly in the City is seeking an experienced Dealer to work closely with the Foreign Exchange Manager.

A minimum of six years' active trading, spot and forward major currencies and deposits is required.

Excellent salary package to be negotiated.

Talk to Sheila Jones

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

EXPERIENCED CREDIT ANALYST

required by City branch of major West German bank. The position offers rewarding career prospects, an attractive salary and the usual fringe benefits.

Details of career to date, in strict confidence, please to
Box A.7798, Financial Times, 10 Cannon Street, EC4P 4BY

INTERNATIONAL BANKING
MARKETING FUNCTION

CANADIAN IMPERIAL BANK OF COMMERCE, a major Canadian chartered bank with wide interests in Europe, is seeking to recruit energetic young bankers to fulfil a number of positions related to the marketing/representational function. The positions are located both in London and elsewhere in Europe.

Candidates aged 30/40 should have had some involvement in banking, preferably in an international environment, and should be able to demonstrate the necessary personal and professional qualities to undertake a challenging marketing role: linguistic capabilities would be an advantage.

We offer a competitive salary and benefits package.

Please write in confidence to

Brian P. Galloway,
Personnel Manager,
55, Bishopsgate, London, EC2N 3NN.

International Appointments

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

UK mines a rich seam in coal equipment

Christian Tyler reports on a sector where marketing co-operation pays off

IT HAS been said that matching British industry against its overseas competitors is like pitting a string band against a mighty Wurlitzer. The British band is made up of freelance musicians who arrive with different scores and without a conductor. Sitting at the Wurlitzer (or, today, the Yamaha) is one man with all the stops and keys at his command. Before the band can find their places and choose a conductor, they have been scattered by the organist's first deafening chord.

Politicians and civil servants who wring their hands over Britain's industrial performance will say it is not that the UK's competitors have any greater talent, only that they are better at putting their act together for plum contracts around the world. But there is one sector at least in which symphonic work is being attempted: the UK's nationalised industries and their suppliers.

With a monopoly or near-monopoly in their home market the big State enterprises are theoretically well-placed to help their dependent private sector suppliers towards lucrative foreign business. The opportunities have already been recognised, in institutional terms, by the creation six years ago of the nationalised industries overseas group whose aim is to promote exports by promoting collaboration among its 22 State industry members and between those members and their suppliers.

The one State industry that has come closest to marshalling disparate industrial forces under its conductor's baton is the National Coal Board.

The British coal industry starts from a position of some strength. It is the largest in Western Europe, and claims to yield to no-one in technological expertise.

As far as can be seen—there are no reliable statistics—UK equipment makers have so far just about held their own in a world market for new or redeveloped coalmines that could be worth as much as £6bn a year for the rest of the decade. Their main competitors, rivals of long standing, are the West Germans, followed by the French. In the distance are the Japanese, who are attempting to make some running from a much narrower base.

Pioneer

According to one industry estimate, UK companies have managed in recent years to secure only a small net increase in the total world market for underground coalmining equipment. But they are doing well in the most technically advanced section of that market, longwall mining. This is the system pioneered and most commonly employed in the UK and which is now taking off in the U.S. and to a smaller extent in Australia.

While the coal equipment industry's export effort in recent years can be read as a success story, the picture is not as bright as one might expect for a business in which the UK has such a tradition and such technical ability. The equipment industry itself now accepts that it has to do better in export markets.

It was in order to provide some national focus for a British export effort that the NCB set up British Coal International, a loose partnership of ten members led by the Board, in 1977.

Since the formation of BCI, the overseas sales of its members have trebled in value, mainly due to the very large increase in the Board's own exports of coal and coke, and helped by exceptional equipment orders from China in 1979 and 1980. BCI does not claim to be directly responsible for that increased business, but does claim to have pointed noses in the right direction.

The West German industry has no need of an artificial creation like BCI. Over 75 per cent of the Federal Republic's coalmining is owned by big steel companies who also own the mining equipment manufacturers. The structure of these conglomerates together with the fabled banking support enjoyed by West German enterprise, enables companies like Thyssen or Krupp to put large amounts of capital at risk in order to secure overseas contracts. Though the Germans would deny it, the British complain that this allows the maintenance of a virtually profitless equipment exports business.

The Germans might retort that the Coal Board is not itself free of charges of dumping. Partly as a result of the miners' victory over pit closures last February, the Board has been doubling and redoubling its overseas sale of coal and coke, as the chart shows.

Strictly speaking, this business is profitless too, although the Board says the marginal cost is low while the costs of stockpiling would be high and real profits will be made eventually. The Board was taken to task for this last week by the Commons Select Committee on Energy which suggested that some of the NCB's export sales "constitute dumping."

The West Germans perform well in East Europe, which in a sense is an extension of their home market, but in the U.S., for example, the British appear to be giving them a run for their money.

Dowty Mining Equipment, one of the big UK makers of hydraulic roof supports, after working hard in the U.S. market for several years, picked up six orders in 1980 against three each for four West German companies. Last year Dowty won 10 U.S. orders against a combined West German total of six.

The larger companies like Dowty, Gullick Dobson, the other big roof support manufacturer, and Anderson Strathclyde, the makers of coal-cutting machinery, say they need little help or instruction in how to sell abroad. They do their own market cultivation, post their own men overseas, bare foreign subsidiaries or licensing arrangements extending from Mexico to India. They regard British Coal International as a useful adjunct, but scarcely essential to them. But what about the host of smaller firms who, now that domestic orders have slackened off, are looking for a piece of the overseas action?

In theory they are at the end of a long chain of market intelligence, starting with the nationalised industries overseas group whose committees regularly sit round the table swapping project news, extending through BCI to the trade association, and ending at the factory itself.

In practice, the system does not seem to work like that. For example, Commercial Plastics Special Products, of Blyth in Northumberland, is a small company specialising in mining safety products. Like its bigger brethren it believes in doing its own marketing. It is presently selling a "revolutionary" anchoring system for the roof bolts used in underground roadway and has customers in the U.S., West Germany and Australia. It does not believe organisations can do much for small companies, gets little out of Abmec and declares: "We have succeeded through our own efforts."

Part of the problem seems to lie with Abmec itself. BCI supplies Abmec with great quantities of market intelligence, but Abmec does not sift it into manageable packets for its diverse membership. There have also been internal ructions in the association; they came to a head last year when the big companies specialising in longwall technology threatened to pull out altogether because, they said, their "product group" meetings were being swamped by the small fry. The compromise was that a British Longwall Mining Association was set up, but its members remained Abmec subscribers.

Fragmentation of this kind, coupled with the aggressive and individualistic traditions of British manufacturers may be one reason why it is difficult—not to say unrealistic—to expect the UK coal industry to develop into a marketing monolith. There is already co-operation on smaller packages, worth say £10m in orders, but examples of a single "British bid" in coalmining projects is more rare.

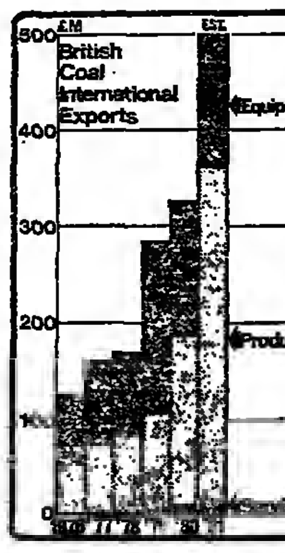
Partly this is the nature of the business. Building and equipping coalmines is not like building oil refineries or steelworks; it is a long-drawn out process with a host of quite distinct stages. At all events, there is no British contractor capable of running a project from beginning to end.

But another reason is commercial rivalry. Contractors invited to discuss a consortium bid have in the past made it plain that if they are not chosen to join the consortium they will enter a rival bid, thus nullifying the whole object of the exercise. As one industrialist said: "The Government likes the idea of a consortium bid because it's neat and tidy. But it is a coward when it comes to picking out one company and backing it."

Britain has a major stake in the world market for longwall mining equipment; here a circular shearer is in use at Monidih, India

BRITISH COAL INTERNATIONAL SALES BY GEOGRAPHICAL AREAS (1980) £ million

	Services	Products	Equipment	Total
Western Europe	2	170	16	188
Eastern Europe	—	11	3	14
Middle East	—	—	8	8
North Africa	—	1	1	2
C & S Africa	0.5	—	16	16.5
North America	2	—	34	36
Latin America	1	2	5	8
S.E. Asia	1	—	35	36
Australasia	2.5	—	6	8.5
Others	—	—	5	5
Total	9	184	129	322



The members of BCI

THE National Coal Board holds nine shares in BCI and its nine partners one each. Of the partners, two are wholly-owned NCB subsidiaries involved in export business—NCB Ancillaries and NCB Coal Products. Two are trade associations from the private sector: the 80-member Association of British Mining Equipment Companies (Abmec) and the Coal Preparation Plant Association.

Five are joint ventures with private sector partners: Inter-Continental Fuels, a coal trading company, is quarter-owned by the NCB and includes Rio Tinto-Zinc and Austen and Butta, a coal producer in New South Wales, Australia. A finance and project management company, Overseas Coal Developments, is also 25 per cent owned by the NCB and includes Shell, Austen and Butta and Inter-Continental. Horizon Exploration, specialising in land and sea seismic surveying, is half owned by the NCB and half by English China Clays. British Mining Consultants is also half NCB, half Inter-Continental. Coal Processing Consultants is a three-way split of the NCB, Babcock Contractors and British Petroleum.

An air of optimism

. . . in advertising

MAURICE SAATCHI, the Saatchi brother who sports the spotted bow-tie in most of the pair's publicity pictures, has not lost faith in the UK advertising market — even though he and his brother this week accomplished their long-awaited leap overseas with the acquisition of the Compton Communications agency in the U.S.

Speaking from *New York* where he had just concluded the deal, Maurice Saatchi emphasised the "remarkable buoyancy" of the UK advertising market at present — a buoyancy which has given the Saatchis the confidence to launch their move into the first division of world advertising.

Saatchi's faith in the UK, however, is not the inevitable optimism of someone who has just pulled off one of the biggest-ever agency deals. Confidential figures from the Advertising Association, made available to *fee-paying clients* this week, clearly show that for one UK industry, at least, the recession is well and truly over.

According to the association's forecasts of Press and television advertising expenditure, based on its own econometric model of the economy, the low point of the recession for the advertising industry "was reached by mid-1981 and there is general agreement that recovery will continue through 1982 and 1983."

The association says that the recovery in advertising spending was "quite sharp" in the fourth quarter of last year; the increase was almost entirely concentrated on television advertising which saw real growth of 17 per cent in the last three months of 1981.

However, the association has now become very bullish about the prospects for 1982. It forecasts an increase in advertising spending by 16 per cent this year (compared with the 1981 total of £2.8bn) and by a similar amount in 1983 at current prices, followed by an increase of 5 per cent for the next two years, at *constant prices*.

By media sector, the association expects television to show the largest gains, partly because it traditionally responds early to a recovery in the economic cycle and partly in response to Channel Four television.

National newspapers are expected to make gains at the expense of consumer magazines as the newspapers' colour supplements continue to consolidate their position in the market. However, most of the press gains in 1983 are expected to come from regional newspapers and the trade and technical press.

As a result of its optimism, the association has now revised its forecasts for the advertising industry's profitability. Instead of a 15 per cent growth in profits in the first two quarters of 1982, in comparison with the same period last year, the forecast is for a 20 per cent growth in the first half.

David Churchill

. . . and market research

THE 700 or so market researchers currently in Brighton for the twenty-fifth annual conference of the Market Research Society are in a much more optimistic mood than they managed a year ago. Then the recession was biting into profits and employment; now the industry seems to be improving its financial prospects—a good augury for the British economy as a whole—for the market research budget is one of the quickest and easiest to cut in hard times and an increase in expenditure points to higher corporate investment.

The Association of Market Survey Organisations (AMSO), which consists of the largest research companies with around 75 per cent of the total business, reports an increase in turnover from £49.3m in 1980 to £56.9m *last year, a gain of 15 per cent,* ahead of inflation. Pre-tax profits in the year also rose by 45 per cent to £3.11m.

The largest research, and only public, company, AGB releases its figures independently but if its 1981 turnover from its British operations of £14m, and its profit of £1.9m, were added to its competitors' figures the turnover of AMSO companies would be £71m and the average profit margin would rise to 7 per cent.

The British market research industry went into the current recession carrying little fat and it seems to have survived without any major bankruptcies. Its clients may have switched to joint research projects, or to buying space on omnibus (multi-question) surveys, or to relying on syndicated data, but they have continued to invest; indeed research expenditure in the UK is the highest per capita in the world, on a par with the U.S. and The Netherlands. The one major area where there has been a decline in market research activity is by the Government—at local and national level the Government was responsible for only 5.4 per cent of AMSO companies' revenue last year as against 7.1 per cent in 1978.

The food companies remain the best customers for research, accounting for 21.8 per cent of *revenue compared with 18.8 per* cent four years earlier. There was an appreciable increase in research by the drink trade, by the advertising agencies and the motor industry last year but health and beauty and the media showed some decline. Even so the single biggest contract in market research—£2m a year to collect data on TV viewing—is a media contract. It has just been retained by AGB.

Antony Thorncroft

THE ARTS

Television

Convictions about reality

Truth and documentary: JOHN SHEARER, editor of BBC Television's Police series, which ended this week, replies to Chris Dunkley's reservations on a programme he praised

Chief Superintendent John Webb, commander of Thames Valley Police's E Division, at Reading, where the Police series was made

I was pleased to read that Chris Dunkley finds the Police series interesting and that he thinks it is accomplishing its purpose. I find it curious, however, that he feels the series has achieved all this while suffering from "a fundamental error." He believes, in short, that the films would have been better with commentary. His view implies that those film makers who eschew the mixed use of actuality, commentary, voice-over and interview found in most modern documentaries are self-deluding purists, more likely to mislead an audience than their more flexible colleagues.

As the person who decided to use verité in the *Police* series and to employ Roger Graef and Charles Stewart, I believe that had any other techniques been used in this particular instance, the series would have been the poorer.

Despite Chris Dunkley's strictures, verité filming is not, in essence, different from any other factual filming, it is just more difficult. Since the producer makes a decision not to use any means of communicating except the material he is shooting, he must cover the event in such a way that it can be edited to tell its own story. Thus more film is shot than in other documentaries and the editing process is often "mammoth." As it happened it was not so on this series where ratios of film shot to film used are quite respectable at about 14-1.

The truth is that all documentary films represent what Chris Dunkley describes as "only a carefully chosen fraction" of what the director has decided to shoot, and that fraction is always made up of "scraps of what was recorded on machines."

His claim that everything recorded not on the machines but "in the minds of the infinitely more adaptable and *sensitive humans*" is left out of the films, shows a misunderstanding of the editorial process present in all documentary film making and at its most intense in verité.

The nature of verité filming in particular which usually takes place over a long period necessitates a special relationship between film maker and subjects. In their nine months with the Thames Valley Police Graef, Stewart and the team grew very close to the men and women they worked with and gained an almost unique understanding of that particularly closed world. Much of this knowledge found its way into the films as they were shot and edited.

This has forced the producers to search for ways of getting at and showing the complex truth of a situation using only images and sounds from the situation. The internal evidence does not disappear. More of it is obtained and used in this form of film making than in any other. Indeed, what Chris Dunkley calls "elucidation and synthesis" is present in the better verité films in a much more integrated way than in a conventional documentary. Because of this it is probably more fully assimilated by the audience than commentary which comes, as it were, from outside the context of the film.

Of course, the proof must lie in the impact on an audience. The capacity of the films to communicate is as important as the question of their integrity. I can well understand Chris Dunkley's feeling of dissatisfaction with certain of the programmes. In one case, at least, I share it to some extent. The rape episode is a good example of the weakness of the pure verité form as well as its strength. There is no doubting its emotional power, and honesty. Almost the whole interview was filmed and virtually everything shot is in the finished programme. The fact that the police were *familiar* with the *alleged* victim becomes evident in the film, but not, perhaps, as Chris Dunkley says, clearly enough.

Perhaps we should have found a way to make it more apparent, but I certainly do not agree that this would have radically altered the programme. Indeed, it is possible that the use of commentary over such deeply serious—material would have tipped the film towards voyeurism.

The question of the effect of the presence of a film crew on the events and people being filmed is important. Inevitably it must change things to some extent, but the crew used on these films, and in particular Charles Stewart and Malcolm Hirst are among the more unobtrusive now working. They film by "hand holding" the camera without lights. I have no doubt at all that their skill, coupled with the excellent relationship between the team and the Thames Valley Police in Reading, resulted in an absolute minimum of distortion. The police simply got used to having the team around, and they got to know when their subjects were being natural and when not. They also achieved a very detailed understanding of police procedures. This knowledge both factual and intuitive was brought to bear on all decisions about what to film and how to edit.

I think we have managed to make a series of films showing at least one lot of policemen at work in real situations. I was especially pleased when "Police" magazine described the series as coming nearer to the truth of policing than any previous attempt. I accept, as I have said, that the films are neither perfect nor definitive, but I do not agree that commentary would significantly improve them. It would make them easier viewing. In television terms, watching verité is comparatively hard work. The viewer has to pay very close attention, to pick up the bits of information in the film that are the verité route to elucidation and synthesis.

Yet the programmes have consistently attracted an audience around 11m—a high figure for what is, in fact, a start time about half an hour later than thought ideal for documentaries, and puts the series in direct competition with News at Ten. The audience reaction indices, too, have remained high.

I suppose the crucial, final question is whether "poor old Joe public" as Chris Dunkley describes him is being deceived by the series and failing to make a judicious separation between the particular and the general. I have long believed that media persons tend to underestimate the intelligence and judgment of the viewer. If, as I hope, we have got a large section of the public thinking seriously about the police, and those who are interested worrying about the form of the documentary film then, as a public service broadcaster, I am well content!

Festival Hall

Rostropovitch

For the second time within four weeks, Mstislav Rostropovich has been able to introduce a new work by Sir William Walton, a nice prelude to the celebrations of his 80th birthday on March 29. Last month with the National Symphony Orchestra of Washington Rostropovich conducted the first performance of the *Prologo e Fantasia*; on this occasion, in the middle of Tuesday's concert by the London Philharmonic Orchestra, he played the Passacaglia for solo cello, completed in December 1980.

Clearly written with Rostropovich's symphonic line in mind, the Passacaglia is essentially a ruminative working out of a smooth eight-bar melody, capped by tiny, brighter codas. It lasts just five minutes. The treatment is conscientious, clinging close to the outline of the theme; anyone who expected an effusive work along the lines of the passacaglia Walton included in the film score of *Henry V* would have found instead something much less public. It is more a personal present to the dedicatee, one imagines, than a work intended for performance in a space as vast as the Festival Hall.

The Walton premiere was the last of three works Rostropovich played in the LPO concert. Dutilleux's "*Tout un monde lointain . . .*" was surprisingly a British premiere, even though Rostropovich gave the first performance as long ago as 1970 and subsequently recorded it for EMI. It is typical of recent Dutilleux in its atmospheric textures and blurring of edges with carefully imagined sonorities; characteristic too in its sudden lapses from modernity into gestures that betray neo-classical origins. The five movements are each prefaced by a quotation from Baudelaire, and the title is taken from *Les fleurs de mal*; the composer's intentions was "to awaken through music certain of the poems' most secret harmonies."

How much "*Tout un monde lointain . . .*" relies for its considerable effect on vivid and impassioned playing by the soloist is hard to establish. For large portions of the 30-minute work the interest is centred entirely on the cello, the orchestra supplying punctuation and evanescent backdrops; the two slow sections, the first modal and confined to the highest register of the instrument, the second exchanging short lyrical phrases between soloist and orchestra, are the work's more memorable inspirations. Yet good contemporary cello concertos are few and far between, and Dutilleux's work is certainly expertly and demandingly written for the instrument.

The LPO was conducted for the evening by the highly promising young American Hugh Wolff, Rostropovich's assistant director with the Washington orchestra. With his charismatic soloist, Mr Wolff had earlier contrived a pungent account of Haydn's C major cello concerto; musically a thin work in truth, but utterly compelling when given the full treatment by such as Rostropovich.

ANDREW CLEMENTS

Dennis Waterman in 'Front Page' musical

Dennis Waterman, star of the TV series *Minder*, is to play a lead role in a new £600,000 British musical based on the American play about newspapers, *The Front Page*. He will portray Chicago reporter Hildy Johnson in the play, which has been retitled *Windy City*.

It will follow *The Little Foxes* into London's Victoria Palace, opening on July 21 following previews and a three-week pre-West End run at Bristol Hippodrome.

Covent Garden

L'Invitation au voyage

by CLEMENT CRISP

The five Duparc songs which Michael Corder uses as musical text for his Covent Garden début as choreographer are placed in an order which *suggests a journey*, from the lyric innocence of *Phydilé* to the dream world of the title song. Diana Montague, the on-stage singer, is an active participant in the work, with Antoinette Sibley and Stephen Jefferies as extensions of her emotional identity. Yolanda Sonnabend's designs seem to have taken their inspiration from Baudelaire's serene Holland in *L'Invitation au voyage*: the watery suns and misty skies he evokes are there in the nacreous panels which hang over the stage, and in the milky light which irradiates the action. Less comprehensible the gold tracery which forms a pavilion to enclose the dancing, and the tattered draperies which make the cast appear like drowned revenants.

The ballet is an exercise in romantic regret. In *Phydilé*, Alessandra Ferri and Stephen Sherriff present young love at its most ecstatic; *La vie antérieure* is a trio for Jennifer Jackson, Michael Batchelor and Phillip Broomhead of yearning lines; *Le manoir de Rosemonde* a quartet for the men which examines the bitterness of its poetic text and the quick rhythms of Duparc's accompaniment as a study in love unrequited; *Au pays où se fait la guerre* tells of love deceived; and the final *Invitation au voyage* closes the piece on a note of resignation and dream-like aspiration, uniting Bryony Brind and Ashley Page, Antoinette Sibley and Stephen Jefferies.

The immediate merits of Mr Corder's choreography lie in a fluency, an inventiveness, which show yet again how undeniably *gifted* he is. In duets, which are the real matter of the piece, he can devise fresh, constantly attractive writing. In urging his choreography to a peak, in bringing off one stunning moment which we recognise as the emotional crux of the piece, he is less sure, partly because the Duparc songs are without any true climax.

I find, on a first viewing, two other problems. One has to do with certain complexities of design: the costuming seems over-elaborate (Stephen Jefferies is much ruffled at the shoulders, and wears a helmet for no discernible reasons); the bright golden filaments of the pavilion are at odds with the imprecise beauties of the rest of the set.

The second has to do with the use of the singer. I did not find Miss Montague particularly idiomatic in her presentation of the songs or of the French text, and the vocal line was too often dominated by the orchestra. Furthermore, the movements of a singer, elegant though she may be, are made to look less than gainly by the fleet presence of dancers: there is no escaping the physical incompatability between the two races.

But lest I seem ungenerous, let me say that *L'Invitation au voyage* is a work of unquestioned talent, and that in its choreographic felicities we are made aware yet again that Michael Corder has much to give the Royal Ballet.

Leonard Burt

Ashley Page and Bryony Brind in "L'Invitation all voyage"

Book Reviews

Musical giants

by RONALD CRICHTON

The Operas of Verdi, Vol. 3 by Julian Budden. Cassell. £21. 546 pages.

Cosima Wagner's Diaries, Vol. 2 translated by Geoffrey Skelton. Collins. £20. 1,200 pages.

Music of Three More Seasons, 1977-1980 by Andrew Porter Knopf (New York). $22.95. 613 pages.

The third and concluding volume of Julian Budden's masterly *Operas of Verdi* extends from *Don Carlos* to *Falstaff*. The quality is serenely maintained: Budden's trilogy will enlighten, refresh and stimulate not only scholars and enthusiasts but those opera-lovers whose modest incuriosity has so far not tempted them beyond performances or recordings of, say, *La traviata* or *Otello*. Firmly if unobtrusively, this work has become an indispensable companion, like Newman on Wagner or Mann on *Strauss*.

Once again there is a chapter concerned, not with a specific Verdi opera but with the historical, social and political background to the years in question. "A Problem of Identity," placed in the centre of Vol. 3, between *Aida* and *Otello*, deals with the inroads into the Italian repertory of Wagner and Massenet and with such native composers as Mascagni, Catalani and Ponchielli. Even in these operatic-ally voracious days we are in unfamiliar territory there—*Cavalleria rusticana* is only a tiny part of Mascagni's output. Those who mistakenly think they don't want the background material (Budden will surely change their minds) may be reassured: this is mostly separated from the perspicaciously informative discussions of the operas.

The chapters on *Don Carlos*, *Otello* and *Falstaff* are expectedly excellent. Yet I found especial interest in the pages devoted to *Aida*. This one-time favourite has been toppled from her eminence by the overwhelming rediscovery of *Don Carlos*, while for historic-political reasons clearly summarised by Budden the subject of *Aida* has "turned, even for Italians, just a little sour." Beyond the present (and precarious?) distaste for authoritarianism lies a practical obstacle—the scarcity of the right kind of singer, who doesn't, as Budden reminds us, need to be exclusively heroic (Patti was Verdi's second-favourite Aida). No one could read this section without appreciating more keenly the *enormous amount of diversified* work the genesis of a big opera entails, going far beyond the actual writing of words and music. *Aida*, whose scenario was the work of the Egyptologist Mariette, involved archaeology.

The three volumes of Budden are a pleasure to handle—elegant appearance, right size, clear type and music examples. It would be hard to pay such a compliment to the format of *Cosima Wagner's Diaries*, of which the second and final instalment, another Who's Who-size tome of leaden weight, has been glaring reproachfully at me for months. I read all through the first volume, held captive in spite of aching arms and bruised ribs. Into Vol. 2 I have so far only dipped. Opened at random, the first entry I read, for New Year's Day, 1881, was wholly typical: "R. did not have a good night, he feels that the tea he drank yesterday, against his usual rule, did not agree with him . . . But in the morning he is cheerful, and he continues our discussion about the introduction to the A Major Symphony . . ."

Do the publishers imagine there is something suitably Teutonic about inordinate size and weight? But German book-production on this level is highly civilised, and the sybarite Wagner would surely have recoiled from such clumsiness, even with Cosima or one of the children no doubt ready to oblige as a human book-rest. All the same, I know I shall soon be hooked again on the hallucinating record of domestic trivia against a momentous backdrop, now depicting the gestation and first performance of *Parsifal* and the end in Venice.

One is grateful for the second volume's larger type face—once the problem of propping the thing up is mastered, the extra clarity makes Geoffrey Skelton's translation read even more smoothly than before. Although the detailed portraits of Richard and Cosima herself are, so to speak, slanted at the children for whose future edification the Diaries were written, Wagner's complex personality comes forcefully and convincingly through. Faced in Elysium with the choice of an hour in the company of the stern, upright Verdi or the volatile, rascally Wagner one would, I fear, unhesitatingly plump for the latter.

There is plenty about the two 19th-century giants in the third volume of Andrew Porter's reprinted New Yorker pieces, published over there. He ranges of course, well beyond Verdi and Wagner and well beyond New York. Breaking with local precedent, this newspaper's former music critic travels even more widely than when he regularly adorned these pages. Britain is honoured once a year at least, winning (one is comforted to note) more bouquets than brickbats.

There is also much of primarily local concern, of interest simply because the names of performers, venues and even composers are often unfamiliar to English readers. Andrew Porter ensures that our ignorance is promptly enlightened by a spate of information and comment, couched in taut, precise, evocative sentences. And he communicates, strongly, the feel of the occasion. He deserves the good fortune of living and working in a milieu where detailed information is prized, where length is no problem and accuracy in fact and presentation a way of life.

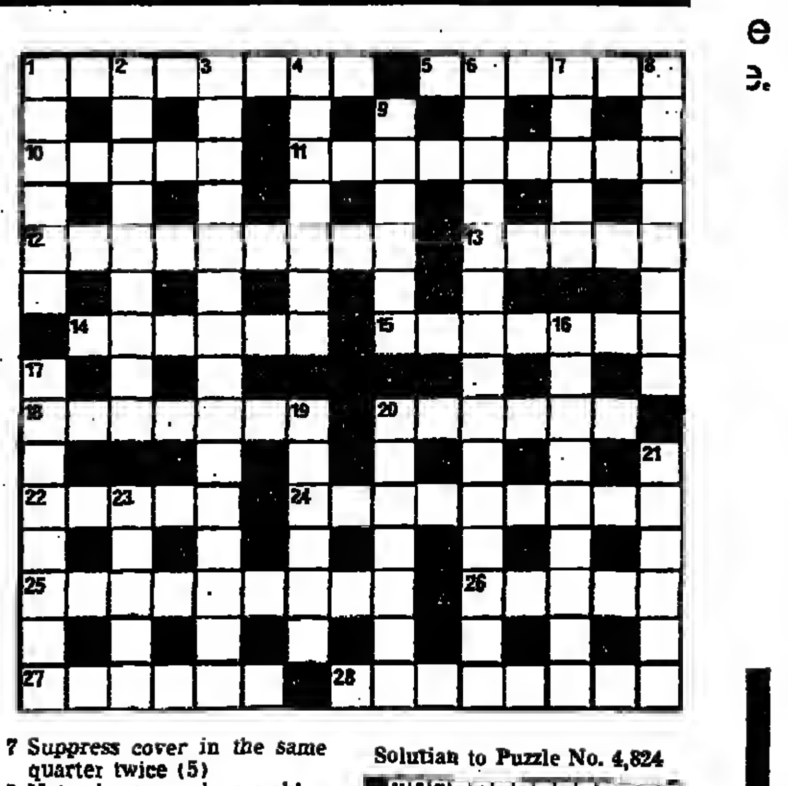
'The Pirates of Penzance' at Drury Lane

Michael White, in association with Louis Benjamin and Toby Rowlands and the D'Oyly Carte Opera Company by arrangement with the New York Shakespeare Festival Theatre will present the new production of the award-winning Broadway musical version of Gilbert and Sullivan's *The Pirates of Penzance* at the Theatre Royal Drury Lane, opening on Wednesday May 26.

The show will begin previews on May 17 which will include six gala charity performances.

Tim Curry will star as The Pirate King, Pamela Stephenson as Mabel, George Cole as The Major General and Annie Ross as Ruth. The show will introduce Michael Praed as Frederic and will also star Sylveste McCoy as Samuel and Bonnie Langford as Kate.

F.T. CROSSWORD PUZZLE No. 4,825



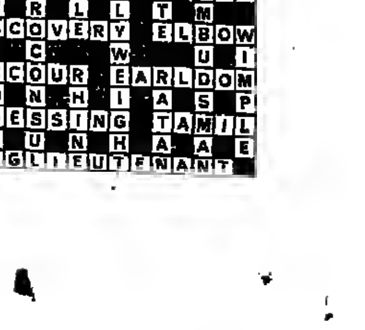
ACROSS

1 A very small portion, but only a penny an item . . . .(8)
5 . . . and an article to disapprove (6)
10 Remains a strong supporter (5)
11 Write music about it being a type of flower (9)
12 External signs of deterioration in clothing (9)
13 A tipple containing energy produces a vision (5)
14 Paint a celebrity to be included in Spanish article (6)
15 Small number returning drunk around this time, i.e. later this day (7)
18 Neon with bright exterior is more pure (7)
20 Liquid cosmetic and a bird must accept it in return (6)
22 Husband taking sodium in food (5)
24 Cheat and watch one in a chase (3-6)
25 Genuine, essential and belonging to the point at issue (9)
26 Scotch mist to the north, or the way to spoil a Scotch (5)
27 Hooked meat and dined (6)
28 Four-wheeled carriage from a royal house? (8)

DOWN

1 Part of a pump, but it's not to drink up (6)
2 Respond to a stimulus with a broken cane, but electrically it's an impedance (9)
3 Fulfil a roll for a musician (15)
4 Airman with tea left—out of milk? (7)
6 Initiate with a loud noise that's melodramatic (5-3-7)
7 Suppress cover in the same quarter twice (5)
8 Note about a recluse making heating material (8)
9 Love-knot, or mate is confused in it (6)
16 A spiritual place that humans left (5, 4)
17 Rascally fish—be quiet! (8)
19 Decline to accept rubbish (6)
20 Law I state is from a dictionary (7)
21 Hoop in iron border (6)
23 The part of an insect that bears legs and wings, but no stomach (5)

Solution to Puzzle No. 4,824



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Jeremiahs on Wall Street

A RECENT American cartoon showed a bookshop in which the biggest and most crowded set of shelves was devoted not to sexual advice or feminism, but to books describing the coming financial collapse. Such dire predictions are no longer the preserve of populist authors and big-circulation news magazines. There is rising and vocal alarm among business leaders at the whole trend of President Reagan's economic policies; and an influential school of financial analysts is beginning to talk of something worse than difficulties with a recovery. The words "depression" and "default" are being heard from thoroughly sober and serious people.

Informed gloom

This week the mood gained an impressive quasi-official voice in a veritable Jeremiad from Dr Henry Kaufman of Salomon Brothers, long regarded as the most influential of all credit market analysts. He attacked not only Administration policy, and the technical approach of the Federal Reserve; he painted an alarming picture of the state of the balance sheets of a wide range of industrial companies and financial intermediaries, spoke of an economy debilitated with consumer obsessions, and warned of a potential economic tragedy.

Since the Wall Street market, the main centre of informed gloom in the U.S., is sullen rather than panicky, and Washington remains more concerned with the business cycle in relation to the November elections than with any major collapse, it is too easy to brush the alarmists aside, and wonder why Dr Kaufman forgot to mention the cities of the plain. He deserves more careful attention.

Viewed from London, the present American crisis of confidence seems to conflate two episodes in recent British history: the near panic in the markets in the winter of 1974-75, when respected analysts were drawing attention to a "financial doomsday machine," and the markets were simultaneously shocked by unprecedented inflation and an apparently radical Labour government; and the sullen disillusion of 1980-81, when worries about crowding out took hold. For Wall Street the emotional shock is greater since apparently untenable policies are put forward by a professedly pro-business President.

In two respects the parallels are apt: crowding out demoralises markets, and demoralised analysts are prone to exaggerated mood swings. But in other respects the U.S. is suffering peculiar and genuine problems of its own. A financial system which was never fully adapted to inflation also seems more vulnerable to the strains of disinflation.

Certainly the appearance of high real interest rates has especially disturbing implications in the U.S., for two reasons. First, there is still a large burden of past fixed interest lending by financial intermediaries which can only be financed at a large running loss; where this problem is combined with falling capital values and delinquencies, as in the house market, there is a real danger of institutional collapse. Furthermore, the universal deductibility of interest charges against tax sustains demand even at high nominal rates. This is potentially deadly for loss-making companies, which have to pay the rate in good earnest.

The most effective cures, as Dr Kaufman suggests, would be a drastically reduced Federal deficit, and some reinforcement for interest rates in checking credit demand. The most effective, as the Fed has often urged, would be to reduce the deductibility of interest charges, as Britain did in 1969 and again in 1973.

War of nerves

Dr Kaufman's monetary prescriptions do not sound quite so persuasive; British experience suggests that the broad monetary aggregates—his "debt proxy" is very like our own PSL2—are not readily amenable to targeting. Imposing further costs on financial intermediaries might reduce rather than reinforce control, as business moved offshore.

The biggest short-term problems remain a market which is often more monetarist than the Fed, and lives neurotically from one Friday M1 announcement to the next; and above all, uncertainty about future Budget policy. The President's war of nerves with Congress will prove costly indeed if it tips market gloom into panic.

Value for money in education

HOW MUCH are schoolteachers worth to society? The question, like other hardy perennials, comes up every spring as unions and education authorities argue about the pay increase due on April 1 to some 465,000 schoolteachers in England and Wales.

The unions insist that their members would remain undervalued even if granted in full the 1982 claim for a rise of about 12 per cent because it would no more than compensate for the past year's inflation. Union leaders are demanding that the claim and the education authorities' 3.4 per cent offer be sent from the Burnham pay-negotiating committee to arbitration. The three main unions representing about 90 per cent of publicly employed schoolteachers are supporting this demand by withdrawing members from so-called out of hours duties such as supervision of pupils at lunchtime.

Arbitration

The issue of arbitration is in effect a test of whether the teachers will follow police, local authority manual workers and other groups in breaking the Government's 4 per cent limit on public-sector pay rises. The statutory arbitral tribunal, whose decision is binding unless set aside by both Houses of Parliament, has usually split the difference between claim and offer.

The 27 members of the employers' panel of the Burnham committee are split over arbitration. It is opposed by the two members from central government. There is apparent opposition from 15 others, two from Welsh local education authorities and 13 representing the Conservative - controlled Association of County Councils. These mainly act on behalf of 47 local authorities outside major urban areas.

But of the 47, at least 17 authorities not under Conservative control have individually supported arbitration. And the unions' demand is firmly backed by the remaining 10 panel members who represent the Labour-controlled Association of Metropolitan Authorities.

The schoolteachers' rise therefore seems likely to be decided primarily by party political division. There is a precedent for this in the limit-breaking 6.9 per cent offer made in December to local government manual workers. The tabling of the offer was approved only by the casting vote of the chairman of the employers' panel concerned.

The determination of public employees' pay by party allegiance is inappropriate because it leaves out of account the economic factors, including supply and demand, on which a rational judgment should be based.

The Government favours the measure of market forces, which in the schoolteachers' case would suggest that no pay rise is needed. Salaries can hardly be deemed uneconomically low when more than 22,000 qualified and experienced teachers in Britain are registered unemployed. But that figure has no apparent effect on the unions. They are pressing their claim despite the Government's insistence that any increase above 4 per cent must be paid for by further losses of jobs.

Meanwhile, rather than risk union action many local authorities are retaining teachers whose subject specialisms are surplus to need, at the expense of shortages of staff equipped to teach basic subjects such as mathematics. This process of "random decay," as it is called by the State Inspectorate of education, can only diminish the quality of the service.

Essential

One means of arresting the decline would be a more flexible and sensitive pay structure. But, far from having procedures to promote quality by assessment, appropriate retraining and in case of incompetence dismissal of staff, the Burnham committee is excluded from discussing productivity. Teachers' pay is negotiated in a virtual vacuum.

Mr Mark Carlisle, the former Education Secretary, announced 14 months ago his intention of bringing productivity into the ambit of Burnham, but little or nothing more has been heard since. If his successor, Sir Keith Joseph, cares for the worth of state education, it is essential that he raises again this fundamental issue and pursues it until the flaw in the pay-negotiating machinery is repaired.

ITALY'S MOTOR INDUSTRY

Fiat gets back on its feet

By Rupert Cornwell in Rome

FOR MOST people visiting Turin these days, the first reaction is something akin to disbelief. Two years ago Fiat, Italy's biggest car manufacturer and eighth in the world, was in a dreadful mess. Soaring labour costs, management errors, union unrest, terrorism and a shoddy range of products had created difficulties which some analysts believed would send the country's largest privately owned group down the slippery slope of British Leyland.

Today things could hardly be more different. Productivity has climbed back close to the European average. New models and versions of existing models have been appearing at the rate of one every two months. Fiat's market share has improved, absenteeism has all but vanished, and the terrorists are in gaol.

In a few months' time the seal will be set on what Sig. Vittorio Ghidella, managing director of the group's car division, calls "a textbook example of how a company on the verge of collapse has got back on its feet." The first-ever consolidated Fiat accounts, drawn up by the firm of Arthur Andersen, will show an overall operating profit for last year.

The word is that this will be modest — perhaps L50-60bn on total sales of L22,000bn (£9.5bn). "We're not yet completely out of the woods," says Sig Francesco Paolo Mattioli, Fiat's general manager. The continuing losses of Fiat's steel interests and, indeed, of its car operations (thanks to continuing problems in Latin America) justify his caution.

But if one considers that the profit follows a loss of L240bn on a comparable basis in 1980, and that the turnaround has coincided with perhaps the worst year for the car industry worldwide since the last war—then there are reasons to rub one's eyes.

And indeed the symbol of Fiat's change of fortunes is the stuff of popular mythology: the so-called "march of the 40,000," which put an end to autumn 1980's unprecedented five-week strike at the company's car plants. That silent procession through the city centre, of middle managers and of many ordinary workers as well, demanding just to do their ordinary jobs, is still remembered vividly by everyone in Turin.

Not only did it signal the end of the union's resistance to Fiat's plans to lay off 23,000 workers, but an era of Italian industrial history closed that October afternoon. Ten years of ever-growing union influence came to an end, and a new period of more assertive management, along more traditional capitalist lines, has begun. The results are being felt today not just at Fiat but throughout Italian industry, for which it has traditionally set the pace.

Arguably, the march may go down in history books as the single most important event, in terms of what it stood for, in Italy for many years. But in terms of Fiat's recovery, it was

Fiat's latest model range: the Mirafiori 1600 (top left), Strada 65 CL (bottom left), 127 Soper (top right) and Panda (bottom right).

but the tip of an iceberg. "The march was a catalyst," Sig Ghidella says. "But what has happened since couldn't have occurred if we hadn't taken other action earlier." In other words, by autumn 1980 Fiat was a revolution—waiting to happen.

The process may be traced back to 1976 when Fiat, after a two-year hiatus following the trauma of the first oil crisis, began to plough money back into the car side. The delay meant that Fiat was poorly placed to profit from the last upswing in automobile sales, which ended abruptly in 1980. But when the next one starts—perhaps early next year—it should be particularly well equipped, with what Sig Mattioli claims will be "a newer model range than any of our rivals."

The spearhead, of course, will be the brand new "Tipo Uno" small car that Fiat hopes will be to the 1980s what the 127 was to the 1970s. But a five-year investment programme worth L5,400bn is gathering pace. Last year Fiat spent L1,250bn (£540m) in all. In 1982 a similar sum will go to the car sector alone.

PROFILE OF FIAT

	1981	1980
Car production in Italy (units)	1.12m	1.28m
Car sales (L bn)	9,600	8,343
Commercial vehicle sales (L bn)	5,100	4,094
Steel sales (L bn)	1,460	1,451
Total net group sales (L bn)	22,000	18,138
Total workforce	315,342	342,654

But other things began to change too. A corporate reorganisation streamlined Fiat into a holding company at the head of 11 separate operating subsidiaries, each responsible for a particular sector. And nowhere was the potential for tighter control to prove more important than in the car division, which, despite Fiat's flirtation with "diversification" still accounts for almost 40 per cent of total group sales.

New faces were appearing at the top, of men who represented a break with the lofty statemanship of the Agnellis. Sig Cesare Romiti, who took over as managing director of the holding company from Sig Umberto Agnelli in the summer of 1980, as the storm was about to break was one.

Sig Ghidella, Sig Mattioli and Sig Giorgio Manina, who took over the helm of Iveco, Fiat's truck subsidiary, are others who epitomise this break between management and ownership that Sig Giovanni Agnelli, Fiat's chairman, has been trying to foster.

At Fiat Auto, Sig Ghidella has pushed through far-reaching if little-noticed, changes since he took charge of the car subsidiary in January 1979. New methods of planning and ordering were brought in. In Italy Fiat has switch to selling direct to dealers, by-passing the agents who traditionally acted as middlemen. Now he is moving to streamline component purchasing. The over-riding aim is to cut costs and to keep stocks as low as possible, by cutting the time between manufacture and sale of a vehicle to the bone.

"There's nothing extraordinary about this," says Sig Ghidella. "Other companies do it. But for us, it needed a complete change of approach."

The fightback began in autumn 1979, when 61 persistent shopfloor troublemakers were sacked. In the middle of 1980 Fiat officially pleaded for a lira devaluation. The Bank of Italy said no, and the stage was set for a showdown. For five weeks, the country's eyes were riveted on Turin, as Sig Enrico Berlinguer, the Communist leader, even proclaimed his party's readiness to back a workers' occupation of the plants But Fiat won—and since then everything has gone as astonishingly right as it went wrong before.

In a nutshell, Fiat managed to increase its sales in real terms in 1981, while slashing its total worldwide workforce to 315,000 from 350,000 in mid-1980. If the 23,000 now fully laid off, yet subsidised by the government, are included, the real figure is 290,000—a drop of 18 per cent in 18 months. Over that period productivity has leapt by 20 per cent, and conditions in the factory have, in Sig Ghidella's laconic words, "returned to normal."

The improvement also embraces the group's finances. Despite the rise in the dollar against the lira, and the stepped-up investment programme, indebtedness has been held to L7,500bn (£3.2bn)—the same level as 12 months earlier. As a proportion of sales it has fallen from 40 to 34 per cent. After two years of increased borrowing, Fiat is now self-financing again.

Further benefit has come with the pull-out from Seat, the loss-crippled Spanish car manufacturer in which Fiat once held a 41 per cent stake.

Outline agreement, moreover, has been reached for the transfer of much of Fiat's lossmaking Teksid steel division to the state-controlled Finsider. Even the lira has been devalued, twice last year. No wonder the group is quietly confident that 1982 will see a further recovery in its overall performance.

But nothing in the car business is sure. Certainly, the much criticised diversification has played its part in helping Fiat through its troubles. The losses on the car side, L230bn (£100m) in 1979 and 1980 combined, were made less unpalatable by profits in other sectors—and 1981's improvement owes much to the upturn in the fortunes of Iveco, as well as the sustained profitability of components and other sectors.

But these advantages could be worth nothing if the car sector goes wrong. Fiat has been immensely helped by the extraordinary resilience of the Italian market, of which it holds 51 per cent.

For this year Turin is budgeting a decline (at last) of 6 per cent in new registrations to about 1.65m—although thus far in 1982 there is no sign of it. But if the Italian market does slump, and if the Tipo Uno, Fiat's latest in the small-to-medium segment of the market which has always been its strength, does not fare well, all bets are off.

Then there are the unions; "battered but not tamed," one top Fiat man put it. That the company was able to triumph in October 1980 was due to its weakness, not its strength, as people accepted that without drastic remedies, even the seemingly eternal Fiat really could bleed to death. Could the unions not be tempted to revenge as the patient recovers?

But they will have little scope for manoeuvre. Clearly the company would like to further reduce its workforce. Automation and higher productivity mean that 95,000 people today could produce last year's total car output in Italy of 1.12m units—compared with 130,000 three years ago.

This year production may rise by 8 per cent, but that presupposes a further recovery in Fiat's share of export markets, after the disastrous declines of 1979 and 1980. There is only one way of getting more jobs here, says Sig Mattioli, "and that is by increasing our share of an increasing market." Today in Turin, there is nothing any longer for free.

HOW OTHER EUROPEAN COMPANIES ARE FARING

FIAT IS not the only European volume car maker to have slashed jobs and sought productivity improvements under the triple pressures of over-capacity, markets in recession and the threat from Japanese producers.

BL's situation closely parallels that of Fiat, although its output is much smaller. A long break in new model development has come to an end, and a succession of new cars is in the pipeline. Job retrenchment began earlier, and has been more traumatic: the 197,600 employed in 1978 had shrunk to 124,00 by the end of last year and is expected to be down to 100,000 by 1983-84.

Ford-Werke of West Germany has shed 5,000 jobs since the end of 1980 in the face of financial losses while Ford UK, still profitable despite being less productive, last year committed itself to losing 29,000 jobs — a 40 per cent cut — by 1985. But, so far, progress has been slow.

Adam Opel, General Motors' West German subsidiary, after a loss two years ago, the first since 1948, has cut more than 11 per cent of its jobs to under 60,000. Its sister British company, Vauxhall, has seen its workforce dwindle by nearly a third — by 8,000 to 21,000 — under a productivity drive launched in 1979.

Peugeot, with the problem of rationalising its ranges after the Talbot takeover, has also slimmed its workforce. The heaviest cuts, at least in percentage terms, have fallen on the UK as a result of last year's closure of Linwood. At a stroke, nearly a third of the UK workforce disappeared, leaving about 12,000 in jobs.

Renault and Volkswagen-Audi have not been so badly affected, with about 4,000 jobs cut on Renault's truck side. Both companies scraped through 1981 on short-time.

In the U.S., with Chrysler and Ford making heavy losses and GM slipping into its first loss on car-making for many years, the jobs shake-out has been more extensive. Chrysler has cut its workforce by half, to 70,000, since 1979 while Ford has laid off a third of its workforce, now standing at 100,000. GM is said to be planning as many as 12 plant closures

John Griffiths

Men & Matters

Sterling work

At first sight, it may seem odd that Jeffrey Sterling, considered by many to be the doyen of property developers, is to become Patrick Jenkin's special adviser at the Industry Department.

Sterling (47) is best known for the entrepreneurial panache with which he restored Town and City from the debt-ridden property giant of which he became chairman in 1974 to near profitability.

The contrast between Sterling's almost flamboyant image and the low profile maintained by the man he succeeds, David Young, who becomes chairman of the Manpower Services Commission, is similarly striking.

However, property is only one of Sterling's business interest. He sees his background as more involved with industrial services. Starting his career as a blue button on the Stock Exchange, he became an investment banker, before working for Sir Isaac Wolfson and forming his own group, Sterling Guarantee Trust—an industrial services company—in 1969.

Sterling will not be new to Jenkin or to the working of government departments, having worked with him while Jenkin was Social Services Secretary to form Motability, the government body which provides cars for the disabled.

Despite the apparent difference in style between Sterling and Young (49), they have been friends for 20 years and belong to the same intricate old boy network. Young — who also used to work for Wolfson — was a non-executive director of T and C when Sterling became chairman, and worked with Norman Tebbit, formerly Industry Minister, on the privatisation of British Airways, of which Sterling is a non-executive board member.

While Sterling's friendship with Young may help him in the part-time unpaid job, it was through Sterling that Young originally met Sir Keith Joseph, who hired him as a special adviser three years ago.

Sterling feels too new to the post to say what role he will take. But he detects an air of industrial confidence, which he says, "could make the adrenalin run."

"I don't know whether anyone has actually written a brief for this sort of post, but I think it's very much up to the individual," he adds.

If that is true, then the post will very much suit an individualist such as he, who considered trying to become a professional violinist in his youth, and who in November 1980 pulled his company out of the Confederation of British Industry in protest against Sir Terence Beckett's threat of a "bare knuckle fight" with the Government.

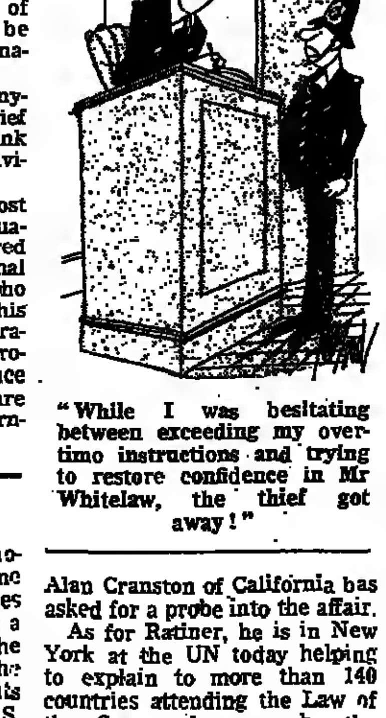
Sea-saw

In the super-charged atmosphere of Washington DC, one of the more serious charges which can be levelled against a Government official is that he has a "conflict of interest." The Reagan Administration, with its rather close associations to U.S. big business, has had more than a few such charges levelled at it in recent months.

Among the cases now pending is that of a certain Leigh S. Ratiner, a Law of the Sea consultant to the State Department, who is apparently being considered for ambassadorial rank. But according to the State Department, a "review" is now under way because Ratiner's law firm is alleged to have close industrial contacts with some of the mining companies which have objected to the Law of the Sea treaty he is busy negotiating.

Ratiner's law firm has billed the State Department for almost $100,000 of consultancy fees and this payment is being withheld pending the outcome of the review. On Capitol Hill, Senator Alan Cranston of California has asked for a probe into the affair.

As for Ratiner, he is in New York at the UN today helping to explain to more than 140 countries attending the Law of the Sea conference why the Reagan Administration is opposed to the treaty as it now stands.



"While I was hesitating between exceeding my overtime instructions and trying to restore confidence in Mr Whitelaw, the thief got away!"

Spark plug

What's in a name? Well, Anthony Alexander, chairman of batterymakers Berec, thinks it may amount to a significant slice of £15m. That is the amount by which the group's annual profits have fallen since it changed its name from Ever Ready four years ago.

The company, acquired by Hanson Trust last year, made the change for the best of reasons. The Ever Ready trade mark is owned in the U.S., Australia and some other parts of the world by its main competitor Union Carbide.

A switch to Berec (British Ever Ready Electric Company) —the name under which it traded in Nigeria—seemed to make competitive sense.

Though Berec's sales have been affected by several other factors since, Alexander tells me: "The identity change has definitely been counter-productive." With the enthusiastic support of the group's staff, he has now renamed the company British Ever-Ready. It could be just the spark that is needed to revitalise its operations, he says.

What's my line

Tired, but unemotional, commuters homebound from Waterloo to Portsmouth should keep a weather eye open for members of the "W" club.

This happy little group of British Rail customers can apparently be found unwinding from the pressures of a busy day in the cramped but not uncongenial surroundings of the buffet car.

On boarding the train, members of the club "spoof" for the "privilege" of buying the drinks. The liability of the loser, however, is not confined to one round. For each time the train goes through a station beginning with the letter W, glasses are refilled.

Waterloo itself, of course, offers an immediate opportunity to get the party going, but my sympathy goes out to the wives who wait at the end of a line that also takes in Wimbledon, Weybridge, Woking, West Byfleet and Widley. The headquarters of the club is unknown but rumoured to be Whaslemere.

Buck stops here

Until I visited the Treasury I thought Milton Friedman and Maynard Keynes were two new towns in Buckinghamshire.

Observer

ECONOMIC VIEWPOINT

When the cheating had to stop

By Anthony Harris

A FEW years ago a senior official was reproaching the Financial Times for its editorial protests against the prospective cost of servicing long-term high-coupon Government stocks. "I can't think why you are so worried," he said. "After all, it's negative interest in real terms."

Since the stock concerned bore a coupon of about 15 per cent into the 21st century, this suggested a decidedly gloomy view of the long-term prospects for inflation, and the official quickly conceded that the interest might well turn positive in real terms well before maturity; indeed, he profoundly hoped it would. All the same it was, as usual, his off-the-cuff reaction which was most revealing. That is how the official mind worked then.

For a decade and a half of accelerating inflation, conventional stocks had served the managers of the national debt well—and cheated those who invested in Government stocks, even the gross funds who receive their interest tax-free.

While rising inflation led to rising interest rates, the interest rate often lagged the inflation rate, sometimes by very large margins. Further, since the British Government relies far more than others on long-term borrowing, the average servicing cost of the market debt was always well below the yield on the latest issues. Compared with GDP—and thus with the flow of Government revenues—both total debt and the annual cost of servicing it fell dramatically up to the early or mid 1970s.

Average servicing cost was always below the yield

Since 1972, however, the trends have diverged. The nominal value of the national debt has much more nearly grown in line with national income—though at a level which in real terms is the lowest since the turn of the century; it has fallen by nearly two-thirds since 1959, and by five-sixths since the post-war peak. The burden of net debt interest, however, has more than tripled in real terms, for since the mid-1970s inflation has fallen far faster than long-term interest rates. The investors have refused to be cheated.

It is at this point, and only at this point, that officials have been persuaded, with the greatest reluctance, that perhaps honesty is after all the best policy, and offered savers a security of guaranteed real value with a positive real return. In the cause of avoiding awkwardness at Budget time, and reducing the PSBR in the most painless available way, we have embarked on a potential revolution.

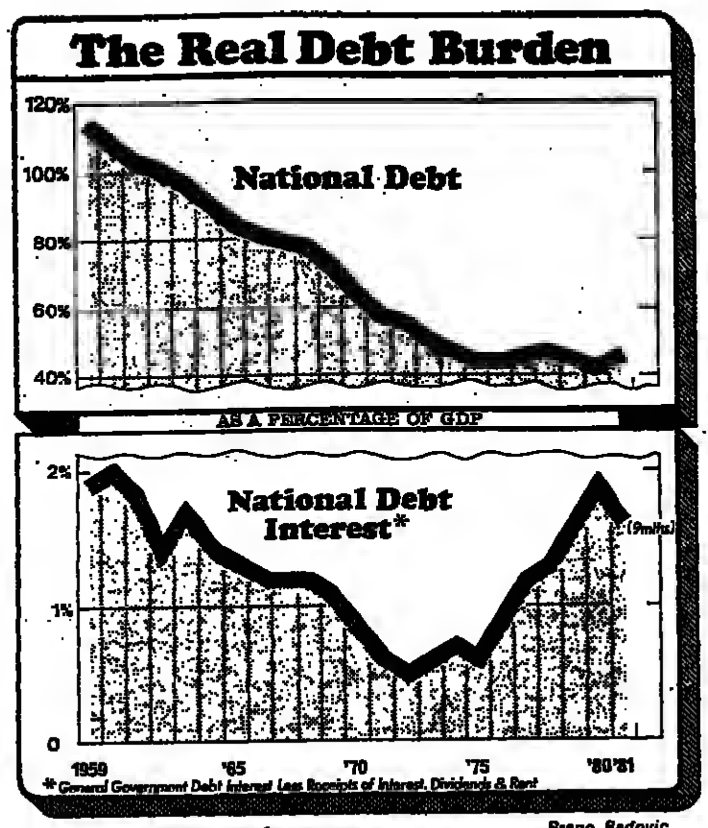
The immediate reactions in the securities markets are only a very small beginning to the long-term effect of indexing even a part of the national debt. As time passes, we will not only acquire a new benchmark for the return on investment of every kind, but have to learn a new language—and an easier one, once we have mastered it—for understanding Government fiscal policy.

If we inspect the present stance of Government policy in money and in indexed terms, the extent of the revolution becomes clear.

In money terms, we are a nation of profligates, borrowing at a profligate's rate of interest; and the Government is still borrowing on a scale which alarms some of our readers, as the correspondence columns show.

In real terms, or indexed terms, the picture is very different. We have a national debt of Gladstonian modesty, yielding about a Gladstonian rate of interest; and if all the market debt were suddenly indexed, a large part of the Government's present deficit would disappear because of lower interest payments. If it were not for a deep recession, we would be in surplus, as Mr Jenkins was in 1970.

On the other hand, this underlying balance would be a matter of near necessity, not of virtue; for the Government could no longer collect what Milton Friedman calls the inflation tax. Put another way, the inflationary conjuring trick of the last two decades, in which the debt burden has shrunk despite large, continuous government borrowing, would become impossible.



Brano Radovic

In other words indexation is a splendid way to reduce and finally eliminate the government deficit, but it is not a cheap way to finance it. Any growth of an indexed national debt faster than the real growth of the economy would be a real, permanent burden, only to be reduced by later stringency.

This would enormously clarify public understanding of the meaning of fiscal policy. It would also simplify monetary policy; much of the recent difficulty of monetary control arises from the fact that the Government pays out some £13bn gross in debt "interest" (actually inflation compensation) every year, and then has to borrow it back to prevent the national debt from liquefying into money before its very eyes.

Of course this is a grossly over-dramatised picture; only a very small proportion of the national debt has been indexed, and it would take many years to reach a fully indexed world, even if this were intended.

Indexation, then, is potentially a very useful tool for Mrs Thatcher, whose personal support was crucial in the decision to extend the principle to the general investor; but now that it exists, others can use it, and it is here that its influence may be most important. Sharp-eyed analysts should not only apply their skill to the Government's accounts, which will require much adjustment as long as we live in a part-indexed world; they may also have to turn their attention to finance directors outside Whitehall.

The basic principles can again be understood most readily by appealing to the world of Gladstone — though they will not be fully applied unless corporate tax as well as capital gains tax is reformed. In the 19th century, when nobody worried about the falling value of money (it actually rose slowly for 40 years) Government stock yielded 2-3 per cent, and equities, which were riskier, 5 per cent or more.

Debentures were therefore a popular source of corporate finance because the capital was cheaper, yielding only a modest margin above Government stock. This could be regarded as a call on turnover rather than on profits; any finance director making prudent allowance for the trend of sales, and the risk of an unfavourable change in relative prices could judge how much gearing his company could afford.

In indexed terms, exactly the same sums could be done now. The new Government stocks as the issues accumulate, will establish a benchmark yield; equities can be expected to yield substantially more on average. An indexed debenture would offer the same economies, with the same risks — the risk that turnover might not grow in line with debt service obligations because of weak performance or relatively weak markets.

As Samuel Brittan pointed out in the Financial Times on Monday, this change cannot actually occur until the tax laws are amended to treat the cost of indexing capital as a deduction for tax purposes, as the payment of interest (inflation compensation in fancy dress) already is; and there could also be difficulties with existing trust deeds.

However, the potential importance of a change which would make it possible to finance long-term investment programmes at a real cost of about 3 per cent hardly needs stressing; and if companies cannot yet make such plans, others might. For example, indexed finance for rented housing (with rents indexed perhaps to earnings) could re-open this market both to non-profit housing associations and to local authorities, and at rents which would require no subsidy.

Indexed finance (and the retail price is not the only possible index) has one other great appeal for investment planners: the real long-term rate of interest is likely to be far less volatile than either short- or long-term money costs. Real returns can be estimated against real costs which are unlikely to swing widely—but will tend to fall when the economy is slack, encouraging borrowing and investment at times when it helps to stabilise the cycle. Real returns especially might be expected to fall in any renewed bout of stagflation and crisis—imagine the eagerness with which investors would have bought indexed paper in, say, 1976.

The potential benefits, then, are large; but there is no benefit in economics without a corresponding cost. There are three main costs: the effect on equity; the fact that future crisis management would be much tougher on the consumer; and failing that, the ultimate risk of default.

The effect on equity is not just the stock market effect, which reflects the emergence of a risk premium. The indexed borrower has a smaller personal stake in his property, and a greater exposure to market risk. In the mortgage market, for example, some lenders are already worrying about probable maintenance standards where the householder only buys the equity in his house by small instalments, as well as the risk of delinquency should the market turn sour. Corporate borrowers would meet similar suspicions.

The risk of default in earnest would be apparent

As for Government, the very fact that capital spending might be more robust would mean that future inflationary or balance of payments crises would be addressed in more painful ways to the consumer—still higher taxes or short term interest rates. Failing that, debt would grow as it has in past wars and episodes of fiscal folly; and lacking the option of creeping default through inflation, the risk of default in earnest would be apparent. An indexed world would in important ways be more robust—but also more brittle.

Lombard

The Tories and the Alliance

By Samuel Brittan

THOSE WHO HAVE an interest in a mixed economy, with a strong market and private enterprise element, should have one political priority. This is that the Labour Party should not be able to form a majority Government in the UK at least until it has reversed its present policy drift.

This is an interest which Conservatives and Liberal-SDP Alliance supporters have in common. It is indeed one which should also be shared by the Callaghan-Healey wing of the Labour Party, although its members can hardly be expected to say so.

It is clear that a great variety of Marxists, Trotskyists and others who used to provide a critique of Labour policies from a fundamentalist point of view have now been given the signal to work within the Labour Party instead. But the need to prevent another majority Labour Government after the next election does not depend on the influence of these people.

It is increasingly clear that even a Foot-Shore Government would instinctively grasp for an insular restrictionism. Exchange controls, import controls, price controls and an escape from EEC and other international obligations are the way current Labour leaders already respond to the obstacles facing the massive increase in public spending which they believe the economy requires. Above all a new Labour Government would be even more in thrall to the unions than the last.

Under the traditional rules of the two-party game, a "fortress Britain" Labour Government could come to office whenever the electorate became tired of the Conservatives. The formation of the SDP-Liberal Alliance provides an opportunity to break out of the system. If the Alliance became established and were able to secure a fairer voting system, Labour could only come to office by attracting a majority of voters. It could no longer do so as the "only alternative" to the Conservatives.

These considerations make the Conservative efforts to squash the SDP breathtakingly short-sighted. They are certainly not serving the interests either of their natural supporters or of those who believe that, despite exaggerated and premature talk of the "road to serfdom," there is an ultimate link between a free economy and a free society.

Of course Conservative leaders are not eager for martyrdom and do not want to put at risk their own prospect of forming a majority Government again. But is it reasonable, even from that point of view, to chance everything on a single throw of the electoral dice? Is an abrupt policy reversal every five years a sensible way of serving either their ideals or their interests?

Of course the Conservatives cannot be expected to hand over threatened Parliamentary seats gracefully to the Liberals or the SDP. But it would surely be in their own, and certainly the country's, interest to welcome the Alliance as the responsible Opposition the country so badly needs.

Some Conservatives might concede that it would be desirable for the SDP to gain votes but only at the expense of Labour. The disposition of gainers and losers cannot, however, be pre-ordained. Unless the Alliance succeeds in establishing itself by the next election, it will be in no position to make a convincing bid for the anti-Conservative vote: and the beneficiaries of an Alliance defeat are all too likely to be the present Labour Party. Conservative Central Office would have little reason to be proud if the result of efforts to bring back Tory voters from the SDP fold were not only to prevent the overdue return of Roy Jenkins to the House, but also to turn Hillhead over to Labour.

Those who share the value judgments of this article—irrespective of whether they are Conservative, Liberal-SDP, non-aligned, or dissatisfied Labour—should prepare for a period of tactical voting designed to establish the Alliance and end the Conservative-Labour duopoly. It is only when this has occurred that they can go back to the luxury of picking and choosing among the non-collectivist parties.

Letters to the Editor

'714' school leavers, inflation and the Budget

From Mr D. Brown

Sir,—In "Man in the News" (March 13) Malcolm Rutherford states that Sir Geoffrey Howe is proud that he is enabling school leavers to obtain a "714" certificate.

Sir Geoffrey Howe and this Conservative Government should be ashamed of their performance over the "714" (construction industry tax deduction scheme). When the scheme was introduced in 1977 they described it as "Draconian" and "Gestapo tactics," yet after three years in office not only are we still saddled with this Act, we are getting illogical amendments to it.

This scheme originally set out to collect tax from workers who chose to become self-employed and receive a lump-sum payment for a given task, rather than be employed and pay PAYE. The scheme has, however, developed into a bureaucratic monster that requires established businesses to comply with outrageous conditions including a photographic file compiled by the Inland Revenue, an identity card with photograph to produce to a "contractor" client, "715" vouchers to be returned to the Inland Revenue computer centre, weekly, and a liability to pay any tax evaded by others.

In his Budget speech the Chancellor said: "I also want to make it easier for those who have recently left school or college to start a business. Hitherto they have not been able to qualify for the so-called 714 certificates under the construction industry tax deduction scheme." Does the Chancellor really believe that someone who has recently left school would be sufficiently experienced to start a business? Does he believe that a school leaver will have sufficient expertise to sell on a labour-only basis? Is it fair to lure these school leavers into casual employment? How will they contend with Schedule D taxation? These people need regular employment. This amendment will not provide an increase in real jobs. It will, in fact, undermine genuine employment and reduce training opportunities.

I believe that the Chancellor has been ill-advised on this amendment and should withdraw it. At its last annual conference the Federation of Master Builders called for the abolition of the "714" in its present form. When will the Chancellor listen?

David Brown.
302, Ford Green Road, Norton, Stoke-on-Trent.

From Mr P. Shirley

Sir, — The Chancellor announced that indexation will be applied only to future gains arising from inflation. The method chosen by the Inland Revenue to index future gains, however, falls somewhat short of the Chancellor's apparent intentions and will in fact discriminate most unfairly against a person who has already held the asset concerned for a long period of time. The Inland Revenue will uplift the base cost of the asset by the increase in the retail price index from March, 1982, to the date of disposal. The earlier the person acquired the asset, however, the lower is likely to be the base cost of that asset and consequently the smaller the inflation uplift.

Ideally the index increase ought to be applied to the market value of the asset at March 1982. If the valuation of assets at March 1982 is too large an undertaking to be practical, at least the uplift should be calculated on the basis of taking the index uplift for the entire period of ownership less the index uplift from the date of acquisition to March 1982. Using this method which is only marginally more complicated than that proposed by the Inland Revenue, proper indexation will be available on all future gains without penalising more severely those who already have experienced largely illusory gains arising from inflation.

Philip Shirley,
10 Colehill Lane, SW6.

From Mr D. Liss

Sir,—"Indexed borrowing is therefore a relatively painless way to reduce the PSBR and assist monetary control." So you say, rightly, in your leader of March 13. I said as much in a letter you published on January 2, 1981, but added that "the change would have maximum effect if existing government debt was gradually replaced by a number of such issues."

As interest rates fall this summer, it should become apparent that the authorities are indeed in a position to invite holders of existing conventional long-term government debt to convert it, or parts of it, into new index-linked debt which the holders can be made to accept, and which the authorities would find very much cheaper to service, in the climate of a new virtuous circle of falling inflation.

The proposition that a policy which consisted, *tout court*, of high interest rates and nothing much else, has done this Government and the country more harm than good is now presumably accepted. The damage which an extra £2½bn annually since 1979 in the PSBR is doing can best be minimised by a series of conversion issues.

David Liss.
28 Airedale Avenue, Chiswick, W4.

Crossing the Channel

From Ms S. Carpenter

Sir,—Mr Gueterbock's letters on cross-Channel ferry fares (February 12 and March 2) miss the point. Surely the only appropriate way of measuring the effect on passengers of changing tariffs is by considering the average fare paid, not by looking at changes in published rates and ignoring the number of passengers travelling in each tariff band. Unfortunately, published information on average revenue is difficult to find but a recent report by the French Ministry of the Sea showed decreases in average revenue in real terms of 13.5 per cent and nearly 19 per cent for car and foot passengers respectively between 1978 and 1980 for the Sealink pool.

(Ms) S. M. Carpenter.
Transport Studies Unit, Oxford University, 11, Bevington Road, Oxford.

Missed chance for law reform

From the Company Secretary, Boxfoldia

Sir,—We read with some interest the article by your Legal Correspondent (February 18), "Missed chance for law reform," and had been expecting to see some correspondence on it.

May we know whether there are to be representations by appropriate bodies asking for powers to be given to the court to award interest on debts which are paid before judgment.

We had not fully appreciated the situation which could arise until two years ago, when a company belonging to a well-known group failed to settle its account with us for goods supplied. There was no query whatsoever, but the company consistently ignored our requests for payment. Eventually we had no option but to take it to court, and at the eleventh hour the payment of £18,000 was made.

Meantime, our customer had enjoyed the use of the £18,000 for over 12 months, and yet the chairman of that particular group of companies is extolled in the media as being an able and successful business leader, restoring to health ailing companies; but it would appear to us that those who deserve the praise (or sympathy) are those who are providing the interest-free credit which enables the ailing company to survive/recover, but at the risk to their own future.

N. Bunce
*Boxfoldia,
Bournbrook, Birmingham.*

Interest-free loans

From Mr R. Crum

Sir,—Your article of March 13 speaks of pressure on the building societies. How about the building societies pressure on their customers?

I've just received a letter from my building society saying that the standing order for the mortgage, sent from my bank on the 27th of each month, arrived after the month's end five times last year, leaving my account "temporarily in arrears." I've checked, it is right and it lost six whole days potential interest.

It also gained six days of interest because of the standing order arriving early; score 6 all. Over the last seven years the score was 47-31 in its favour. Following its recommendation of bringing the standing order forward two days would add another 24 more days of interest earning capacity to it. A neat way of improving cash flow from its point of view; distinctly sharp practice from mine.

As I remember one consequence of entering the EEC was that, in matters of product weights, instead of firms having to guarantee that products weighed 1 lb they were required only to guarantee that on average they weighed 1 lb (within limits). Should not the same principle be applied to regular payments of the above nature made entirely through standard money transmission systems? Why should I be forced to pay for the inefficiency of the banking system by making involuntary interest-free loans to the building society? There would certainly appear to be a case for the Department of Consumer Protection instituting some system of legal averaging for such payments.

R. E. Crum.
89 Holl Road, Norwich.

Financial Times Thursday March 18 1982

T & N disappoints and omits final

ALTHOUGH second half pre-tax profits of £2.5m at Turner and Newall were well down on those of the first, they compare with losses of £6m for the second six months of the previous year and leave the figure for the full period ended December 31, 1981, ahead from £6.2m to £11m.

Because of the worse than expected results in the second half of 1981, the directors are omitting the final dividend; total for the year is therefore 3p (6p), being the interim payment.

Mr S. Gibbs, chairman, says that directors continue to eliminate the burden of unprofitable businesses. The main core of operations is sound, is going forward and must accelerata as economic conditions improve, be states.

Total sales for 1981 were £704m, against £712.5m — the intra-group 6gure increasing slightly from £77.8m to £81.3m —and with trading profits of £36.4m (£30.9m) were divisionally split as to: plastics and industrial materials £206m (£231m) and £0.6m (£0.2m loss); automotive components £188m (£178m) and £4.7m (£6.7m); construction and engineering materials £151m (£158m) and £18.7m (£13.8m): chemicals £65m (£54m) and £2.2m (£2.5m); mining £94m (£92m) and £10.2m (£8.1m).

A geographical analysis of the same figures shows: UK 363m (£403m) and £3m (£2.5m); other European £66m (£73m) and £1.4m (£3.2m); Africa £161m (£133m) and £28.3m (£20m); the Americas £77m (£70m) and £0.6m (£1.8m); Asia and Australia £37m (£34m) and £3.1m (£3.4m). Exports amounted to £109m (£112m).

HIGHLIGHTS

Lex reviews **Turner and Newall's** surprisingly poor second-half figures and quite unexpected decision to pass final dividend before looking at the results from **Thomas Tilling.** The latter managed to put on 4.1 per cent before tax to £73.6m on the back of a currency gain which was wiped out by higher tax. Earnings per share emerged lower again and acquisitions made a loss after financing costs. Tomorrow sees tenders for the first index-linked gilt edged stock to be offered to the public. Lex looks briefly at the market conditions against which this offer will take place. It then goes on to sum up Round Two in the battle over the Stock Exchange's review of commissions in which the exchange, following objections, has lowered its originally proposed increase by about half.

On the plastics and industrial materials side, the improvement in profit came from overseas, UK and European results being a little down on 1980. Demand for PVC resin and downstream products declined as did selling prices to "abysmal levels." On the other hand, thermoset moulding powders and resins achieved higher volumes and margins. The recession depressed industrial material salas but by vigorous action results improved through the year, Mr Gibbs states.

Sales of automotive components in real terms were lower, reflecting continued depression In the world motor industry. Friction material prices were severely eroded in the last quarter but the year ended on a stronger note for the gasket business.

Construction materials companies overall performed well; the operations in Indian and African countries earned higher profits. Results in the UK were adversely affected in the latter part of tbe year by the depressed cooditions. Profits from the sale of specialised engineering materials and services were beld at satisfactory levels and benefited from the development of oew products eod exports, the chairman says.

In the chemicals sector Hunt Chemical results were sligbtly below that of the previous year reflecting the reiatively depressed markel for electrostatic and electronic products.

The depression in demand for asbestos fibre deepened and hecame more wldespread during 1981. Sales from gronp mines were well maintained, but stocks increased towards tbe year end.

Above the line, there wera expenses of £4.5m (same), exceptional charges of £5m, against £6m—redundancy and severance costs—net financing charges amounting to £19.5m, compared with £19.6m, and associate profits down from £5.4m to £3.6m.

After tax, £14.5m (£13.9m), minorities, £2.5m (£1.4m) and extraordinary debits of £20.1m (£11.2m) the attributable figure came through as a £26.1m loss, against a previous £20.3m.

The extraordinary items comprised the closure of activities and restructuring costs, amounting to £18.9m (£13.6m) and a £1.2m loss (£2.4m profit) on the sale of businesses and investments.

Disposals were lower during the yaar, against 1980, capital expenditure was maintained at £40m, and the seasonal inflow of funds was smaller than usual in the second half. The directors say that these, together with continuing restructuring costs and slow progress in returning towards an acceptable trading profit in the UK, caused the group's net debt to rise from £117m to £165m and the ratio of this to shareholders' funds to increasa by 16 per cent to 51 per cent.

CCA pre-tax figure is £13.8m loss (£18m).

Mr Gibbs said later that overall, the group's UK operations were currently in profit at the trading level and that the trend of profits in certain areas was upwards as problems in some of the weaker operations were being sorted ont.

On dividends for the corrent year tha chairman said that the decision to pass the final for 1981 did not necessarily indicate the group's future policy: "We hope the measures we have taken will bear fruit and get us back into a dividend-paying situation as soon as possible."

He added that some £13m had been set aside in the way of provisions for closure moves in 1982.

See Lex

Sharp fall in interest boosts Lex to £15.8m

THE profitability of Volvo cars and a sharp reduction in interest charges, from £8.2m to £2.9m, meant that **Lex Service Group** was able to reverse the downward profit trend of the first six months and finish the year to December 27 1981 with a pre-tax result some £3m higher at £15.8m.

At halfway a decline from £7.9m to £6.1m was reported, and the directors said that the second-half performance would largely depend upon the depth and duration of the UK recession. They were not optimistic about the outlook for the economy until well into 1982, and did not expect any noticeable short-term improvement in the markets in which the company operates. Lex operations include car and commercial vehicle distribution and hotels.

The directors now report that the recession seriously affected most of the company's businesses, which operated in extremely competitive conditions. Volvo Concessionaires traded successfully, but certain other businesses experienced very low levels of demand.

The fall in interest charges followed divestments and a financial restructuring which, together with operating cash flow, enabled the company lo complete the acquisition of Schweber Electronics while maintaining the improved financial position achieved over the past three years. At the year-end, total debt less cash balances stood at £32m (£41.1m).

Net earnings per 25p are shown to have risen from 17.14p to 22.54p and the net dividend total is beld at 7p with a final payment of 4.2p.

On turnover of £528.4m (£503.6m) for the 12 months, trading profits slipped from £21m to £19m. Apart from the interest charges, the taxable result included a £300,000 (nil) share of associates.

Tax absorbed £1.1m (£1.6m) and, after extraordinary credits of £6m (£0.1m debit), the attributable balance emerged well ahead from £11.1m to £20.7m. Dividends look £4.6m (same) and retained profits turned in at £16.1m (£6.5m). On a CCA basis tha taxable result is stated at £11.2m (£6.8m).

● **comment**

The slashing of interest payments bas much to do with Lex clearing the decks before laking Schweber on board. Gearing, 6 per cent at the interim stage, is now about 45 per cent but still 7 points down on the level et the end of 1980. It is a fair bet that the vast majority of the profits came from the tremendously successful Volvo concession, with registrations up 42 per cent, and market share double what it was four years ago. It is unlikely that Schweber, a high overhead, fixed cost business in cyclical decline, contributed anything after finance costs, but it has recently acquired a prestiglous IBM franchise. The doubling of pre-tax profits second half on second half looks good and there is room for much more, but parallel imports might become a very big beadache for the Volvo concession. After the results, which exceeded market expectations, the share price gained 6p to close at 115p, yielding 9 per cent, with a p/e of about 9½.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Boddingtons	1.9	—	1.6	3.5	3
Wm Boulton	Nil	—	—	—	0.1
Britannic Assurance	10.68	May 6	9	16.1	13.9
City and Commercial	1.38	March 31	1.32	2.38	2.32
Wm Collins	4.5	May 13	2.5	7.5	3
Corah	1.65	—	1.65	2.9	2.9
J. Hewitt	1.5	—	1.6	1.85	1.8
John Jacobs	1.6	May 20	1.6	2.3	2.8‡
Johnson Grp ... 2nd int	3.55	April 8	3	7.7	7
Lawtex ... int	Nil	—	1	—	1.5
Lex Service	4.2	May 8	4.2	7	7
Hugh Mackay	2.6	—	2.22	4	3.62
Thos Tilling	4.5	July 1	4	8	7.5
Turner and Newall	Nil	—	3	3	6
U.S. Debenture	3.92	—	3.56	5.92	5.58

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Including special payment of 0.5p.

H. Mackay moves to £444,000

SECOND-HALF PROFITS from **Hugh Mackay**, maker of Durham carpets, came to £338,000 for a total of £444,000 in respect of 1981. This compares with a loss of £114,000 for the previous year. The 1981 dividend is raised from 3.62p to 4p, with a final of 2.6p.

The directors state that the trading results swung from a loss into profit in both halves of 1981, augmented by income from the investment of cash.

Turnover was up from £8.58m to £9.58m, of which exports contributed a record £2.4m.

Having reached consolidation into one factory without detriment to liquidity, the directors feel able to recommend the small increase in the dividend.

After a tax charge of £145,000 (credit £250,000), the net profit comes out at £299,000, against £144,000.

● **comment**

The recovery of profits of high quality carpet manufacturer Hugh Mackay has been based so far mainly on overseas sales. Exports were up 30 per cent last year in money terms to a record £2.4m and margins on this business were improved significantly by the weakening of sterling. United Kingdom volumes were ahead slightly but the contract market is still highly competitive. The consolidation of production at Dragonville was not completed until October so the main bene6t from it will come this year. At 52p, up 3p, the shares yield an attractive 11¼ per cent on the 10 per cent higher dividend.

Wm. Collins on target with £4.33m

SECOND HALF pre-tax profits of **William Collins and Sons (Holding)**, publisher, improved from £1.88m to £3.1m, and figures for the full year to December 27, 1981, increased by £2.28m to £4.33m, which is in line with the forecast made by the directors last June.

The pre-tax figure was struck after exceptional debits of £514,000 (£144,000) mainly due to redundancy payments in the book manufacturing division, and net interest charges of £1.23m (£2.1m). This was slightly offset by a gain of £131,000 on the sale of a small unused property. Associated profits were £170,000 against £140,000.

Turnover for the year climbed from £63.74m to £73.41m, an increase of 15.2 per cent.

The final dividend is raised by 2p to 4.5p net for a substantially higher total of 7.5p compared with 3p. Dividends absorb £1.04m against £414,000.

Tax rose from £382,000 to £1.5m, and after extraordinary debits of £151,000 this time—the cost of defending News International's takeover bid last summer — attributable profits came out at £2.68m (£1.67m), and after dividends retained profits were £1.64m (£1.26m). Stated earnings per ordinary and 25p ordinary "A" shares were up from 12.1p to 20.5p.

The directors say they are aware of the continued difficult trading market and economic conditions in which the group operates, but they are satisfied that further progress will be made in the current year.

On a CCA basis, group pre-tax profits were £2.9m against losses of £185,000.

● **comment**

Recovery at Collins has been carried through as forecast in last summer's bid defence. Indeed, Collins has done somewhat better at the pre-tax level than its £4m target, although there was clearly some margin of flexibility as to the pace of rationalisation and hence control over the size of the year's exceptional debit. That apart, the management has made real progress on all fronts. Borrowings of £12.7m two years ago have been brought down to a little over £5m, and are now considered to be under control, and with marked effect on pre-tax profits; income gearing fell in 1981 from 50 to 20 per cent. Major cost cutting has, meanwhile, done a lot for the trading level alike in publishing and book-production. The Glasgow works is now much more competitive and has rebuilt its order book after the uncertainty of last summer: it is still Collins's priority to make more efficient use of the assets it has in Glasgow. Although conditions will be tough this year, publishing has picked up momentum, especially in paperbacks and the children's list (after the surgery in 1980). The revival and inauguration of small specialist imprints shows that Collins is beginning to take a more expansive view again. Yielding 4¼ per cent at 240p, the voting shares stand on 15.7 times fully taxed earnings, discounting further advance this year.

Slight fall for BATUS

Pre-tax profits of Batus Inc., U.S. subsidiary of BAT Industries, fell slightly to $325,000 (£180,000 at current rates) for 1981, compared with $355,000. Sales amounted to $4.59m, against $4.16m.

Tax charge was $145,000 ($158,000).

The directors continued to commit major funding for capital projects, with combined capital expenditure of $200m.

As reported yesterday, the agreed $310m bid by BAT Industries for Marshall Field, Chicago-based department store chain, is being carried out by BATUS. BAT's management company for its U.S. interests. The bid will be a cash offer at $25.50 per common share and $45.90 for preferred shares.

J. Jacobs declines to £911,295

AS PREDICTED, at the interim stage, when the directors said that second half results would compare unfavourably with those of the first, pre-tax results at John I. Jacobs, shipowners and shipbrokers, showed a decline for 1981.

After second half taxable profits fell from £595,000 to £281,000, the surplus for the year fell by £428,691 to £911,295 on turnover of £1.32m (£1.41m).

The final payment has been held at 1.6p, which brings the total to 2.3p. Last year's total of 2.8p included a special centenary payment of 0.5p. Earnings per ordinary 20p share fell from 4.52p to 2.16p.

At the trading level profits fell from £168,192 to £21,283. Pre-tax profits included investment income higher at £873,002, against £765,369, and higher profits on realisation of investments at £96,044 (£24,739).

Associated profits made an improved contribution of £79,417 (£49,624) but there was a provision for diminution in value of listed investments of £158,451, against a previous release of £332,062.

Tax took £414,291 (£298,642).

On a current cost basis pre-tax results fell to £829,295 (£1.26m).

Better order trend at Pratt

Losses at **F. Pratt Engineering Corporation** "are being stemmed," said group cbairman Mr Jim Hendin at yesterday's annual meeting. There had been some improvement in the order book since the year end.

"With these trends," he said, "bopefully our major activities will return to profitability as the year progresses."

Mr Hendin told shareholders that "distasteful matters which came to llght last year" in a board row over head office expenditure, "have been satisfactorily resolved."

He said tbat a report commissioned by the board and prepared by Erost and Whinney into aspects of head office expenditure had been examined by a committee of non-executive directors, "only one member of which committee was on the board during the period in question."

Mr Hendin, who has only recently joined the board, said yesterday that "before accepling a seat on the board and the office of cbairman, I conferred with the members of the committee."

Ha said that the committee's recommendations were "unanimous In all particulars."

He told shareholders that "in the continuing recession, we have a major task to bring your company back to profitability, and any irresponsible efforts to resuscitate old sores must jeopardise this objective and be injurious to your shareholding interests. Any further repetitious debate would not be in the company interest."

For the year ending October 31 1981 Pratt reported losses of £790,000 compared with pre-tax profits of £992,000 a year earlier.

Last year a boardroom row broke out over directors' expenditure which led to the departure from the board of Mr Murray Thicpland and Mr Maurice James, a non-executive director.

Mr James, chairman of Maurice Jame Industries, the holder of 250,000 shares in Pratt, met with Mr Hendin earlier this week to discuss matters relating to the company.

"We bad a useful discussion on many aspects of yonr company's business," Mr Hendin told shareholders. "I welcome Maurice James' views and we will be meeting in tha near future."

Mr James, present at yesterday's meeting, told tbe directors that they had "a mammoth task ahead of them." He told Mr Hendin that he thought he was the right man for tbe job.

Bristol Water in £7m tender

The **Bristol Waterworks Company** is offering for sale by tender £7m in 9 per cent redeemable preference stock.

At the minimum tender price of £100 the conventional gross yield is 12.85 per cent, or 18.75 per cent for those liable for corporation tax.

The stocks are redeemable at par on May 29 1987. They are denominated in multiples of £100 and applications, which must be accompanied by deposits of £10 per £100 nominal amount of stock sought, must be received before 11 am on March 24.

The first dividend, which will amount to £3.287 net, will be payabla on October 1. Thereafter, dividends will be paid half-yearly on April 1 and October 1.

● **comment**

The last comparable water issue, by Lee Valley last month, was pitched at £99 per cent and drew an average price of £99.9. In partly-paid form, it is now trading at a premium of more than 11 per cent. However, the market is less strong this week, which seems to indicate that applicants for the Bristol issue may well be successful nearer the minimum tender nrice.

Lawtex a little more hopeful

IN THE six months to December 26, 1981, **Lawtex** has reduced its loss to £127,800, compared with the corresponding period, and hopes for a "significant reduction" in the second half.

And providing that trading conditions do not deteriorate further, the directors expect that the corrective action taken will lead to a return to "modest profit" in 1982-83.

There is no interim dividend, compared with 1p. But if the second half prnduces the cut in the rate of losses, the directors intend to pay a final dividend, although this will "inevitably not be large." In 1980-81 the company finished with a loss nf £374,000 and paid a final dividend of 0.5p.

William Boulton picking-up

THE SECOND quarter of 1981-82 saw a return to profits at **William Boulton Group**, but tbese were insufficient to offset first quarter losses, caused by a lnw level of activity, and as forecast at the last AGM, this machinery manufacturer and founder finished the half year to December 31 1981 with a pre-tax deficit of £391,000. This comparies with a £487,000 loss for the corresponding period.

However, the directors report that the order book Is at a higher level than a year ago, and the Interim figures do not fully reflect steps taken to rationalise activities. They are hopeful that the benefit of these measures, together with a slnwly improving trading climate, will hava a positive effect upon full year results.

Christopher Moran first half shortfall

REFLECTING continuing difficulties and after making further provisions in respect of legal and other disputes, both turnover and pre-tax profits nf the **Christopher Moran Gronp** were down for the six months ended July 31 1981.

Underwriting agency management — at Lloyd's — profits increased from £500,000 to £590,000, bnt the surplus from broking and other interests, droppeod to £47,000, against £463,000, leaving the pre-tax figure behind from £963,000 to £673,000.

Turnover fell to £1.66m (£1.79m), with the broking side contributing £973,000, against £1.28m.

The interim dividend is omitted again, the last distribution being a 2.9p final paid in 1980.

There was a tax charge of £542,000 (£625,000), minority interests, £1,000 credit (nil), and after an extraordinary credit of £1.39m (nil), the attributable balance came through well ahead at £1.48m, compared with £338,000 previously.

Cambrian implements its reorganisation

Cambrian and General Securities, the investment trust, announcad yesterday that its rights offer of 858,011 units at 244.3p has been accepted in respect of 847,610 units (98.75 per cent). Each unit was comprised nf five ordinary shares and three capital shares.

The balance of 10,401 units have been sold in the market for a net premium of 6.876p per unit and the excess of the proceeds over the subscription price will be distributed to eligible shareholders.

The company also reported that the 4,780,347 additional capital shares agreed to be bought at 15p by members of the Ivan Boesky family have been duly subscribed.

These moves were part of a reorganisation of the company whicb has now been fully implemented.

As envisaged when the reorganisation was announced in January, three of the company's directors have now tendered their resignations. They are Mr Jonathan Davies, Mr Emrys Roberts and Mr T. D. Everett.

Mr Edward D. G. Davies will remain as a director and other directors to be appointed by ordinary shareholders include Mr Ian Henderson, Mr Maurice Bonnat, Mr Stephen Fraidin and Sir David Thomson. Directors to be appointed by capital holders are to include Mr Boesky and Mr Stephen J. Conway.

THE TRING HALL USM INDEX
117.9 (−0.3)
close of business 17/3/82
BASE DATE 10/11/80 100
Tel.: 01-638 1591

LADBROKE INDEX
Closn 549-554 (−11)

UK COMPANY NEWS

MINING NEWS

Lake Shore's gold timing

BY KENNETH MARSTON, MINING EDITOR

WHILE THE price of gold continues to sag—it fell US$10 to a 2½-year low of US$318 per ounce yesterday—Canada's Lake Shore Mines, the leading producer in the Little Long Lac Gold Mines group has good cause to be satisfied with last year's decision to make forward sales of its gold production.

The average price received for these forward sales last year was C$726 per ounce, equivalent at current exchange rates to US$597 compared with last year's average gold price of US$457. Consequently, Lake Shore lifted its 1981 net profit to C$31.9m (£10m), or C$5.03 per share, from C$9.4m in 1980, reports John Soganich from Toronto.

The 1981 earnings reflected increased gold production as well as the higher prices received. Extraordinary items raised the net profit further to C$22.3m.

In the previous year there was an extraordinary debit on the company's share of the loss on the disposal of shares in New Cinch Uranium which wiped out all Lake Shore's 1980 profits.

The parent, Little Long Lac, reports a net profit for 1981—before extraordinary items—of C$13.2m compared with only C$4.6m in 1980. Here again, the increase reflects increased production and gold prices. But, as with Lake Shore, higher mining tax rates depressed earnings in the fourth quarter of the year.

Samancor buys Anglo's new manganese mine

LESS THAN three years after opening its new Middelplaats manganese mine, Anglo American Corporation has sold the property to South Africa's largest manganese mining company, SA Manganese Amcor (Samancor), reports Thomas Sparks from Johannesburg.

The mine, which was brought into production within its budget of R47m (£25m) has been transferred for 9m Samancor shares at R3 each. In other words, Anglo is taking a book loss of R20m on the venture.

No details have been given of Middelplatts' production but ore grades were relatively low at 38 per cent manganese and 4 per cent iron.

Samancor's chairman, Dr J. P. Kearney, says that Middelplaats is operating profitably although its integration into Samancor is unlikely to have an early effect on the company's earnings. It can be worked as part of Samancor's neighbouring Mamatwan mine and will give the company certain marketing networks.

The issue of 9m Samancor shares to Anglo will give the latter an additional 8 per cent of the company for which it unsuccessfully bid in 1977. That take-over attempt was blocked by the South African Government, although Ango emerged with an undisclosed percentage of Samancor's equity.

Durban Deep & ERPM may omit dividends

DIVIDEND prospects this year are bleak for South Africa's veteran and marginal gold producers, Durban Deep and East Rand Proprietary Mines (ERPM).

In his chairman's statement written for the Durban Deep annual report—when the bullion price was around $340—Mr D. T. Watt says that at such price levels "there is little prospect of a dividend distribution in June." For 1981 the mine paid dividends totalling 185 cents (99p).

In the case of ERPM, Mr Watt sees little prospect of any payment being made for the current year in the absence of a very significant and sustained increase in the price of gold received. Last year the company paid an interim only of 50 cents.

In order to conserve finances capital expenditure has been drastically curtailed. Spending has been halted on the expansion programme and is now restricted to essential works which might require new borrowings.

ERPM is thus seeking to increase the directors' borrowing powers to R30m (£16m) from R6m. In London yesterday, Durban Deep shares at 566p and ERPM at 414p were both 15p down.

N. Territory cuts royalties

The Government of Australia's Northern Territory has decided to almost halve the royalty rate it intends to impose on mining companies there, reports Patricia Newby from Perth.

A draft bill before the Northern Territory Legislative Assembly reduces the minimum royalty level on pre-tax profits of mining companies to 18 per cent from the 35 per cent announced in the previous draft bill in June last year, ventures in the territory, as

ZCI passes its interim

NO INTERIM dividend is being declared by the Bermuda-incorporated Zambia Copper Investments for the current year to June 30. Earnings for the first half amount to U.S.$2.75m (£1.53m) and include $2.67m in final dividends for the year to March 31 declared by Nchanga Consolidated Copper Mines and Roan Consolidated Mines.

But not dividend income from Zambia was externalised during the ZCI half year. And at December 31 the equivalent of $6.5m in dividend income from the Zambian copper companies remained blocked in Zambia.

Sentrust small holders

THE meeting to approve the cost-saving proposals by South Africa's Sentrust for eliminating small ordinary shareholdings of less than 100 shares is to be held in Johannesburg on April 13.

Holders of less than 100 shares by purchasing the requisite shares from the company at a price of S63 cents or by buying them in the open market.

Small shareholders who do not wish to increase their holdings will have their ordinary shares converted into redeemable preference. The latter will then be redeemd at S63 cnts within seven days of the meeting.

In accordance with South African exchange control regulations, UK shareholders wishing to purchase shares under the scheme must use financial rands. The latter stand at a discount to commercial rands and on this basis the S63 cents' purchase price is equal to about 35p at the moment.

At last night's London price of 304p for Sentrust, holders would thus do better to buy the shares in the open market. The preference share redemption proceeds will also be paid in financial rands.

Good start for Union Discount

IN THE first 10 weeks of the current year, trading results of Union Discount Company of London had been "extremely good" and compared very favourably with the results for the comparative period of 1981, Mr Alex Ritchie, the chairman, told the annual meeting.

The Budget, he said, "was pretty well received" and, hopefully, following that we should have good opportunities to build up profits during the year.

Referring to the fact that the Bill Market had been taking the strain of the tax paying period, Mr Ritchie said: "I think this is a complete justification of the new system of monetary control and more importantly demonstrates very clearly the role that the Discount Market has to play and can play very successfully in monetary control.

"We do not feel that in order to survive as a company we are forced to take a large stake in the Gilt Market particularly in view of the risks. We shall of course trade in the Gilt Market."

Progress at United States Debenture

Attributable profits to ordinary shareholders of United States Debenture Corporation improved from £3.94m to £4.09m in the year to January 31 1982. Gross income was £6.8m, compared with £6.48m.

The final dividend is raised from 3.58p to 3.93p for an increased total of 5.92p (5.58p). Stated earnings per 25p share were 5.92p, against an adjusted 5.72p, and net asset value per share was up from 133.4p to 153.1p.

Buoyant second half at L. Ryan

SECOND HALF pre-tax profits of L. Ryan Holdings, the South Wales plant hire contractor and coal factor, improved from £191,000 to £599,000, and figures for the whole of 1981 moved ahead from £422,000 to £611,000. No dividend is again being paid—the last payment was in 1974.

The directors say new drying, blending and shipping facilities at Cardiff Docks will be fully operational later this month, as will a new site in the Midlands. On stream later in the year will be a further site in the Midlands and another in Belgium.

The group made meaningful progress in relation to overseas possibilities, and wholly-owned subsidiaries have been formed in the U.S. A venture agreement has been entered into with an American partner — the owner of substantial tip reserves —to recover anthracite coal in Pennsylvania.

Pre-tax profits on a CCA basis were £289,000 (loss £96,000).

Britannic Assurance pays more

Britannic Assurance is boosting its profit and loss account for 1981 by lifting the transfer from its long-term business by nearly 20 per cent from £2.73m to £3.24m.

This more than offsets the cut of nearly one-quarter from the General Branch contribution from £472,000 to £362,000, and covers the transfer of £250,000 to the claims equalisation reserve.

This increase in long-term profits has enabled the company to improve its 1981 dividend by 15.8 per cent from 13.9p to 16.1p net with a final of 10.675p. The profit and loss carry forward is lifted from £374,000 to £520,000.

The share price improved 6p to 290p on the results, yielding 8.2 per cent gross.

With-profit policyholders in both the Ordinary and the Industrial Branch get high bonus allocations for 1981.

Life policies in the Ordinary Branch have their reversionary bonus increased by 15p to £5.25 per cent of the sum assured, with the terminal bonus scale ranging from 27½ per cent to 180 per cent of the sum assured for each year's premium paid prior to 1978.

The reversionary bonus on deferred annuity contracts is lifted 25p to £6.25 per cent of the basic annuity with a terminal bonus scale ranging from 45 per cent to 69 per cent of the basic annuity plus accrued bonuses.

In the Industrial Branch, the reversionary bonus rate rises 10p to £4.10 per cent of the sum assured, with a terminal bonus varying from 5 per cent to 50 per cent of the sum assured.

Straits S/S increase

AS FORECAST at the interim stage, the improved performance in the first six months of 1981 was sustained in the second half at Straits Steamship Company, the Singapore public company which is 58 per cent owned by Ocean Transport and Trading.

Group pre-tax profits for the year increased to S$26.64m (£6.96m at current rates), compared with $24.8m in 1980, thanks to higher earnings from the property and regional shipping activities. Results were however, affected by severe competitive pressures, recessionary conditions in Europe and the grounding of "Anro Asia" in October.

Sales for 1981 advanced from $177.6m to $183.4m. At the attributable level, profits were lower at S$16.81m, against S$19.48m which had the benefit of a $2.87m extraordinary gain arising from the disposal of Jacks' Property at Bukit Timah.

Tax charge was S$6.13m (S$5.78m). The effective tax rate remained at 23 per cent due to accelerated capital allowances on plant and machinery and tax exemption on certain of the shipping earnings.

After-tax earnings per share are shown as 21.9 (20.4) cents before extraordinary items, and as 22.6 (23.5) cents after these items. A final dividend of 7 cents per share makes a total distribution of 11 cents — an increase of 25 per cent on 1980. A two-for-one scrip issue is also proposed.

BIDS AND DEALS

Norsk Data raises £9.2m

Norsk Data, the high flying Norwegian mini - computer system supplier, has raised NKr 100m (£9.2m) in London by way of a placing of 295,000 shares, 14 per cent of the enlarged share capital, at NKr 340 per share.

The shares closed unchanged in London at £33 (NKr 358.51.

Norsk was introduced to the London Stock Exchange last July.

The shares in the placing will not rank for the 1981 dividend but they will qualify for the planned one-for-one scrip issue.

Mr Rolf Skar, president, said the issue was being made to build up the company's equity basis in anticipation of continued rapid growth. Comparable U.S. computer companies had virtually no debt, he pointed out.

Net borrowings of Norsk at March 1. 1982 stood at about NKr 165m and shareholders' funds about NKr 255m.

The company recently reported profits in 1981 before tax and year-end allocations (tax deferral measures) of NKr 42.4m compared with NKr 20m. Mr Skar said that more than half the group's business is now coming from outside Norway.

The placing has been made by County Bank. Brokers are Hoare Govett.

SPENCER (BANBURY)

Spencer (Banbury), part of the Intermed division of the Thomas Tilling Group, has acquired all the remaining stock from the foundation wear range of Silhouette together with the exclusive right to use the brand name "Silhouette" in the UK European and other countries.

Since spring 1981 they have marketed the Subtract ranges of corsetry in the U.K.

Spencers will launch a new foundation wear range under the Silhouette brand name in spring 1983.

DICKSON OF IPSWICH SOLD

Mr Martin Page of chartered accountants Peat, Marwick, Mitchell, who is joint receiver and manager of Dickson of Ipswich, has sold the business via a newly-formed subsidiary—Loftgrass, trading as Dickson of Ipswich—to John Harris and Son of Sudbury, Suffolk.

The sale includes the Bramford site, where the manufacture of high-grade reproduction furniture will be continued in the Dickson tradition.

Plessey in £19m sale of four businesses

BY DUNCAN CAMPBELL-SMITH

Plessey has sold four of its five capacitor manufacturing businesses in line with its declared policy of concentrating on hard-core electronics. The sale has been agreed at £19m with Arcotronics, a subsidiary of the privately owned Wedge International Holdings, based in the Netherlands.

As well as helping Plessey's general development strategy, the sale may also have helped to suggest a resolution of the present dispute at the company's fifth capacitor plant at Bathgate, just outside Edinburgh. The workers have been staging a sit-in at the factory since late January in protest against closure plans threatening the loss of more than 300 jobs.

The four subsidiaries included in the sale so far are Plessey Capacitors at Towcester, Plessey Italia and Plessey Kondensatoren with plants in Italy and West Germany respectively, and Plessey Capacitors which is based in California.

It is believed, though, that the company is hoping to complete a supplementary sales agreement with Arcotronics for the disposal of its Bathgate factory when a satisfactory resolution of the sit-in can be reached. The supplementary sale would give a small premium on the agreed sale price.

Direct discussions between Plessey and representatives of the Bathgate workforce were continuing yesterday while recent legal proceedings over the issue are held in abeyance.

The Wedge group recorded sales of more than $1bn last year and is headed by Mr Issan M. Fares, a Christian Lebanese businessman who is also its biggest shareholder. It owns more than a dozen companies in the U.S. with interest ranging from food to oil services and engineering.

Wedge also has substantial interests in Holland, France—where it owns a bank—and West Germany. It is understood to be keen to develop new businesses in Europe as well as the U.S. and has been seeking to establish an electronics subsidiary with good growth prospects for some time.

The Plessey capacitor businesses had sales of £26.4m for the year ended April 3 1981. They earned operating profits of £4m and pre-tax profits of £3.2m.

Arcotronics will pay for them in two instalments, the first for £17.5m being due immediately and the second for £1.5m on September 30.

Asked if Plessey had now exhausted its planned list of divestments, Sir John Clark, its chairman and chief executive, said the company was "very nearly down to the bedrock of its businesses." These would continue to include telecommunications, civil and defence electronics, aerospace and general microchip technology.

● A mass meeting of the Bathgate workforce is scheduled for later today following the company-union talks in London. There were indications among the workers occupying the factory that they remained dissatisfied yesterday with the latest terms on offer from Plessey.

SHARE STAKES

Bisichi Tin—On March 12 Janter purchased 50,000 ord shares and now owns 994,500 ord (15.2 per cent).

Malaysian Tin—Company has sold 125,000 ord shares which were previously held by R W Moore (Developments). This company is now a subsidiary of Malaysian Tin and the directors felt that it was not in accordance with company law for a subsidiary company to hold shares in its parent. The shares have been placed.

Noble and Lund—Mrs H. M. Johnson has disposed of 115,000 shares, making a revised total of 332,050 shares.

Drake & Scull Holdings—Scottish American Investment sold 63,000 ord shares reducing holding to 1,057m shares.

Federated Land—P. J. H. Meyer, director, notifies that Children's Trust acquired 25,000 shares making holding 88,175 (8.169 per cent).

Wholesale Fittings — Throgmorton Trust sold 250,000 shares leaving holding 480,000 (3.43 per cent).

Celtic Haven — Following recent sales, Leeway Tradings interest has been reduced from 5.92 per cent to 3.92 per cent.

Bertam Holdings — Johore State Economic Development Corporation now holds 4,246,500 ordinary shares (21.2325 per cent).

Crossfriars Trust—Equitable Life Assurance Society now holds 1.3m ordinary shares (13 per cent).

Watson and Philip—L. D. R. Philip, director, disposed of 46,300 shares leaving holding 217,000 (12.6 per cent).

Down Surgical — Electrobel Bruxelles disposed of 1,221,699 shares leaving holding nil.

Electronic Rentals Group — Director's sale of 50,000 shares held beneficially effected by R. K. Black on March 10 at 96.5p.

Silverthorne Group — R. A. Le Page, chairman, has disposed of his total holding of 22,000 shares.

Campari International — Mrs J. Lipton, director, has sold 25,000 shares at 61.75p.

LONDON TRADED OPTIONS

Mar. 17 Total Contracts 1,910 Calls 1,396 Puts 514

Option	Ex'rcise price	April Closing offer	Vol.	July Closing offer	Vol.	Oct. Closing offer	Vol.	Equity close
BP (c)	240	40	10	—	—	—	—	279p
BP (c)	260	20	7	—	—	—	—	"
BP (c)	280	7	25	1e	1	22	1	"
BP (p)	2e0	11	08	—	—	—	—	"
BP (p)	080	2e	30	28	56	30	23	"
BP (p)	300	44	—	48	2	60	—	"
BP (p)	320	76	10	78	—	80	—	"
CU (c)	140	9	29	13	2	17	—	144p
CU (c)	1e0	3	—	e	—	10	10	"
Cons. Gld (c)	360	20	—	27	1	37	—	3e9p
Cons. Gld (p)	360	17	—	30	1	34	—	"
Cons. Gld (p)	390	40	10	44	3	47	1	"
Cons. Gld (p)	420	67	1	68	—	72	—	"
Cons. Gld (p)	460	107	—	110	—	112	2	"
Ctlds. (c)	60	25	25	27	—	—	—	83p
Ctlds. (c)	70	15	5	17	15	21	—	"
Ctlds. (c)	80	e	30	11½	117	15½	—	"
Ctlds (c)	90	2	—	3½	08	6½	—	"
GEC (c)	600	25	20	60	—	77	—	612p
GEC (c)	630	e	e2	34	1a2	52	—	"
GEC (p)	750	e	—	10	1e	—	—	"
GEC (p)	600	14	—	20	5	27	—	"
GEC (p)	6e0	42	1	3n	4	57	1	"
Gr'd Met. (c)	160	23	1	33	—	39	—	1e8p
Gr'd Met. (c)	000	10	7	17	5	22	—	"
Gr'd Met. (c)	020	3	10	7	—	10	—	"
Gr'd Met. (p)	200	9	—	1e	25	17	—	"
Gr'd Met. (p)	220	24	3	25	2	28	40	"
ICI (c)	260	66	2	74	—	—	—	324p
ICI (c)	080	46	2	54	—	—	—	"
ICI (c)	300	26	55	38	28	48	—	"
ICI (c)	330	e	19	23	137	30	13	"
ICI (c)	360	4	—	0	10	1e	—	"
ICI (p)	300	5½	65	e	35	13	15	"
ICI (p)	330	14	14	19	35	28	—	"
ICI (p)	260	40	00	42	18	4e	—	"
Land Sec. (c)	280	22	2	20	—	41	—	282p
Land Sec. (c)	320	4	e	10	—	1e	—	"
Mks & Sp. (c)	120	25	10	20	—	—	—	143p
Mks & Sp. (c)	140	7	7	13½	30	17	—	"
Shell (c)	390	3	48	0	—	18	—	348p

Option	Ex'rcise price	May Closing offer	Vol.	August Closing offer	Vol.	November Closing offer	Vol.	Equity close
Barclays (c)	400	50	3	33	—	—	—	446p
Barclays (c)	460	10	e	22	2	22	—	"
Barclays (p)	460	18	—	03	4	08	—	"
Barclays (p)	500	55	e	57	10	e0	—	"
Imperial (c)	70	20	—	22	e3	—	—	69p
Imperial (c)	80	11½	28	14½	—	17½	—	"
Imperial (c)	90	4	—	7½	161	2½	1e	"
Imperial (p)	90	5½	1n	e½	—	e	5	"
Lasmo (c)	260	64	—	27	1	42	a	269p
Lasmo (c)	300	e	4	17	—	2e	—	"
Lonrho (c)	70	7	—	9	—	1n	e	73p
Lonrho (p)	80	e	e	a	—	11	—	"
P & O (c)	120	7	15	12	—	17	—	1e6p
P & O (c)	140	4	1	0	—	—	—	"
Racal (c)	260	0n	24	33	—	4a	—	368p
Racal (p)	360	11	4	17	—	6n	—	"
Racal (p)	390	67	e	an	1	35	8	"
RTZ (c)	500	4	15	12	—	—	—	414p
RTZ (c)	e30	2	1e	—	—	—	—	"
RTZ (p)	390	a	8	17	—	20	—	"
RTZ (p)	460	54	—	57	—	60	1	"
Vaal Rfs. (c)	40	8¾	—	4½	1n	5½	—	$38½
Vaal Rfs. (p)	35	0¼	5	6¾	0	5¼	1	"
Vaal Rfs. (p)	40	4½	27	5½	—	e	—	"

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	13 %	Robert Fraser	14 %
Allied Irish Bank	13 %	Grindlays Bank	‡13 %
American Express Bk.	13 %	■ Guinness Mahon	13 %
Amro Bank	13 %	■ Hambros Bank	13 %
Henry Ansbacher	13 %	Heritable & Gen. Trust	13 %
Arbuthnot Latham	13 %	■ Hill Samuel	§13 %
Associates Cap. Corp.	13 %	C. Hoare & Co.	†13 %
Banco de Bilbao	13 %	Hongkong & Shanghai	13 %
BCCI	13 %	Knowsley & Co. Ltd.	13½%
Bank Hapoalim BM	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14½%
Bank Street Sec. Ltd.	15 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½%	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	14½%
Bristol & West Invest.	14 %	E. S. Schwab	13 %
Brit. Bank of Mid. East	13 %	Slavenburg's Bank	13 %
■ Brown Shipley	13 %	Standard Chartered	‖13 %
Canada Perm't Trust	14 %	Trade Dev. Bank	13 %
Castle Court Trust Ltd.	13½%	Trustee Savings Bank	13 %
Cavendish G'ty T'st Ltd.	15½%	TCB Ltd.	13 %
Cayzer Ltd.	13½%	United Bank of Kuwait	13 %
Cedar Holdings	13 %	Whiteaway Laidlaw	13½%
■ Charterhouse Japhet	13 %	Williams & Glyn's	13 %
Choulartons	14 %	Wintrust Secs. Ltd.	13 %
Citibank Savings	¶12⅞%	Yorkshire Bank	13 %
Clydesdale Bank	13 %		
C. E. Coates	14 %		
Consolidated Credits	13½%		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13½%		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	16½%		
First Nat. Secs. Ltd.	16½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.8%.
† 7-day deposits on sums of: under £10,000 10%, £10,000 up to £50,000 11%, £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
§ 21-day deposits over £1,000 11½%.
‖ Demand deposits 10¼%.
¶ Mortgage base rate.

Centreway disposals

Centreway Trust is to dispose of the whole of its interest in Peterborough Die Casting Company to the present managing director, Mr V. J. Lowe. Centreway is the beneficial owner of the whole of the ordinary shares and whole of the £222,200 loan stock.

Proceeds receivable over a minimum 10-year period are £222,201. Under the terms of the agreement, loan stock will be repayable by 10 instalments of £22,220 each, one such instalment being payable in respect of each year of PDC in which its pre-tax profit exceeds £25,000 and all the ordinary shares will be transferred to £1.

PDC incurred pre-tax losses of £143,928 in the year to March 31 1981. Net assets were £86,413 after deducting the £150,000 loan stock then outstanding.

TANGENT IN VIDEO DEAL WITH ARLEN

Tangent Industries has contracted to purchase the assets, stock and business of Arlen Electrical's 51 per cent owned video subsidiary Transvideo and Alpha Productions, including St. John's Wood Studios, for a maximum cash consideration of £150,000.

Tangent has agreed to purchase total assets of £370,000 as valued at June 30, 1981, which constitute the video division of Arlen, primarily involved in video production, editing and film studio facilities.

St John's Wood Studios and Transvideo are a leading London film studio facility where many television commercials and pop videos are produced. Arlen formed Transvideo in April 1980 and purchased Alpha Productions in September 1980.

Tangent is a privately owned company with a 1980 turnover of £15m derived from printing and publishing. It also operates Carlton Studios, one of Europe's largest photographic studios, together with ancillary photographic laboratories and exhibition display, which will be responsible for the development of Transvideo.

LMI DEAL

London and Midland Industrials says discussions are in progress with Mr C. W. R. Hutchison whereby he will acquire Cadulac Chemical's rust-proofing operations. LMI will retain the car care and WD 40 activities. Mr Hutchison has therefore resigned from the board of LMI.

DUPORT BUYS

Duport is to acquire the capital of McDowell Knaggs and Assoc. and MKA (Personnel) of Worcester.

The MKA companies, with combined net tangible assets of some £30,000 book value, are involved in providing a range of specialised computer services from the sale of micro-computers and systems through software development to personnel recruitment and training.

Common sells stake in two LPG carriers

Common Brothers, the Newcastle-based shipping company, has pulled out of the gas shipping market by selling its half-share of two LPG carriers for a pre-tax profit of $800,000. But the board said yesterday that it was still ready to look at other alternative opportunities to participate in the market as and when they might arise.

Common held its half share in the carriers, the Ribagorsa and the Isavena, through 50 per cent stakes in two holding companies, Trans-Offshore Inc and Ewe Shipping Inc. It has sold these to Trans Energy International, the owner of the other 50 per cent of each of the two companies, for a sale price of approximately £800,000.

The terms of the sale contracts are in line with a shareholders' agreement reached last October.

These contracts have accordingly released Common from all obligations in connection with the carrier holding companies, including guarantees covering bank finance to fund the purchase of the ships.

The sale comes two months after a disposal by Common of two petroleum products tankers for £16m in cash in January. The consolidated debts of the company at February 12 were yesterday disclosed at £23.7m, of which £17.5m was secured. Contingent liabilities amounted to £6.2m.

Common's board said yesterday that taking into account the company's bank and other facilities, it had sufficient working capital to meet its present working requirements. The shares closed 3p down at 250p.

C. E. Heath to restructure vehicle leasing interests

C. E. Heath is to re-structure its vehicle leasing interests. Heath Shipping Services, a subsidiary of C. E. Heath, will carry on under the name of Motolease, a substantial part of the motor vehicle leasing business of the group's former leasing subsidiary, Motolease Ltd, having taken over some 72 per cent of the existing gross lease receivables of the company.

The Heath Group yesterday disposed of its shareholding in Motolease, together with the residue of its leasing business to General Management and Trading Company and Danube Investments.

To reflect this change in ownership, Motolease is changing its name to Knoxville Investments Ltd., which company will continue to carry on motor vehicle leasing business for its new owners.

As a result of the disposal of Motolease, Heath has received £6m nominal value unsecured loan stock 1985 in relation to which a guarantee has been obtained supported by a charge over a bank deposit.

Blue Circle's 98% climb to A$26.5m in Australia

THE Australian associate of Blue Circle Industries, Blue Circle Southern Cement, reports record sales and profits for 1981. Pre-tax profits climbed 98 per cent from A$13.38m to A$26.45m (£15.5m at current rates). Turnover rose by 29 per cent from A$142.64m to A$184.08m.

The directors say the improvement in pre-tax profits resulted from increased sales revenue, operating efficiencies in cement production, and a greater contribution from the company's coal mining activities.

Tax was A$10.68m higher at A$13.21m, leaving attributable profits up from A$10.57m to A$13.24m. The pre-tax figure was after depreciation A$10.84m ($10m) and interest expenses of A$7.1m ($7.7m).

Blue Circle Industries' New Zealand subsidiary, Golden Bay Cement Company, also reports improved profits for 1981. These have increased from NZ$5.97m to NZ$9.04m. After tax profits were NZ$4.85m (NZ$2.13m).

Blue Circle Industries holds a 41 per cent interest in Blue Circle Southern Cement, and a 55 per cent interest in Golden Bay Cement.

NATIONWIDE LEISURE

An increase from £28,981 to £213,012 in pre-tax profits is reported by Nationwide Leisure, the property and leisure group, for the year to October 31 1981. Turnover of this unquoted company was down from £2.49m to £2.32m. No ordinary dividend is again being paid.

There was a tax credit of £188,229 (£23,638 charge), and an extraordinary credit of £230,147 against a debit of £119,793, leaving net profits of £631,388 (£114,470 loss).

Corah improves in second half

A REVERSAL of the recent downward trend in profits has been shown by Corah, knitted clothing manufacturer, for 1981. After second half taxable profits moved ahead from £738,000 to £1.1m, the pre-tax result for the year came to £1.63m, compared with £1.76m.

"It is encouraging to record," says Mr G. Corah, chairman, "that our order book is very strong and margins are beginning to show a modest improvement." However he recognises that there is considerable progress to be made before achieving an acceptable level of profitability.

"Since the commencement of 1982," says Mr Corah, "production levels have continued to show a significant increase over last year." He believes that the improvement in trading conditions will continue through 1982.

The company's largest customer is Marks and Spencer.

The final dividend has been held at 1.65p which repeats the total at 2.9p. Earnings per ordinary 25p share were given as 4.8p (4.5p).

Turnover moved ahead by £3.6m to £46.82m—a rise of 8 per cent. Mr Corah points out that this was achieved despite severe recession and reflects an increase in both volume and price. "While we were successful in securing a reasonable order book," he says, "margins remained under considerable pressure."

Direct export trading rose from £5.31m to £6.22m. Direct and indirect exports represent 17 per cent of total sales.

A breakdown of pre-tax profits by region shows: UK £1.4m (£1.62m), Canada £181,000 (£157,000), overseas subsidiaries £83,000 (£14,000 loss).

The directors were particularly encouraged by the profit performance, because they say that selling prices were contained well below the level of inflation.

Capital expenditure was the same again at £1.92m.

Net borrowings rose from £1.96m to £2.59m. Increasing turnover has required additional working capital, say the directors.

Tax took £262,000, compared with £424,000. After dividends of £866,000 (same), and an exchange gain of £428,000 (loss £141,000) the balance carried forward emerged at £9.57m (£8.54m).

On a current cost basis pre-tax profits were £667,000.

● comment

Corah's second-half profits are more than double those of the first half, and the chairman's optimistic statement points to further improvement this year. So far, the profit recovery has come largely from cost-cutting and improvements in efficiency, but in common with other Marks and Spencer textile suppliers, Corah has recently been feeling an easing of the margin squeeze. Moreover, the order book for the first half is full and the group is actually taking on staff again. The shares advanced 1½p yesterday to 43p, a new 1981-82 peak. However, the group should make more than £2.5m this year, which indicates a prospective fully taxed p/e of only about 10, and the yield is a helpful 10 per cent.

SPAIN

March 17	Price %	+ or −
Banco Bilbao	348	
Banco Central	352	
Banco Exterior	302	
Banco Hispano	321	−2
Banco Ind. Cat.	110	
Banco Santander	365	−1
Banco Urquijo	213	−2
Banco Vizcaya	368	
Banco Zaragoza	245	
Dragados	152	
Espanola Zinc	61	
Fecsa	60	−0.2
Gal. Preciados	41.5	−1
Hidrola	62.5	−0.7
Iberduero	52.5	−0.3
Petroleos	93	−2
Petroliber	99	
Sogefisa	11	−2
Telefonica	71	−1
Union Elect.	63.7	−0.3

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1981							
1st qtr.	99.5	88.7	98	106.6	130.8	2,304	100
2nd qtr.	99.0	88.9	92	104.7	134.5	2,507	89
3rd qtr.	99.8	89.7	104	105.5	139.1	2,627	96
4th qtr.	100.1	89.8		105.4	168.5	2,758	104
July	99.6	89.2	101	104.5	139.5	2,582	92
Aug	99.6	89.5	126	105.0	139.0	2,626	98
Sept	100.3	90.3	86	103.5	138.8	2,673	97
Oct	101.5	91.4	95	106.2	147.8	2,729	99
Nov	99.9	89.8	94	105.6	158.4	2,764	104
Dec	99.0	88.1		104.6	193.1	2,782	108
1982							
Jan	98.6	87.5		107.0	143.9	2,829	114
Feb				106.0		2,836	114

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
4th qtr.	94.3	91.6	117.1	86.6	71.0	77.2	10.1
1981							
1st qtr.	93.6	88.3	117.1	84.1	75.7	76.7	10.9
2nd qtr.	93.2	88.7	117.9	84.8	78.7	75.8	14.1
3rd qtr.	93.5	89.3	118.5	86.3	77.3	75.1	14.2
4th qtr.	93.1	90.1	121.3	86.5	82.6	74.8	11.7
July	94.0	89.0	118.0	86.0	77.0	74.0	14.5
Aug	94.0	89.0	118.0	86.0	76.0	76.0	12.5
Sept	93.0	90.0	120.0	87.0	79.0	75.0	15.4
Oct	95.0	90.0	124.0	87.0	86.0	75.0	13.4
Nov	93.0	90.0	121.0	86.0	83.0	75.0	14.1
Dec	92.0	90.0	119.0	86.0	79.0	74.0	7.7
1982							
Jan	89.0	90.0	119.0	86.0	77.0	71.0	11.5

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.6	111.8	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.		107.0					28.34
2nd qtr.							26.73
4th qtr.	135.8	132.3	+748	+1,248	+705	99.8	23.35
Feb	121.7	114.3	+314	+755	+231	105.2	28.43
March		105.5					28.21
April		106.2					28.07
Sept	130.2	135.3	+ 13	+114	+290	100.0	23.70
Oct	133.9	126.3	+366	+532	+ 89	98.9	23.32
Nov	139.8	141.7	+ 51	+218	+214	100.2	23.46
Dec	133.8	129.0	+331	+498	+402	100.4	23.35
1982							
Jan							23.23
Feb							23.37

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,951	868	2,019	
4th qtr.				+2,184	422	1,980	
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	290	658	12
Aug	0.8	14.5	35.4	+1,246	244	659	—
Sept	9.7	22.8	34.3	+2,465	334	706	—
Oct	− 4.7	20.2	24.0	+1,557	154	681	—
Nov	7.6	17.3	20.4	+ 443	65	642	—
Dec				+ 184	203	657	—
1982							
Jan					356	656	
Feb					347		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Aug	210.4	236.8	224.1	299.3	277.3	257.64	91.2
Sept	211.7	237.9	225.9	301.0	279.6	260.83	88.0
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
Jan	214.1	238.7	232.7	310.6	296.1	252.94	91.1
Feb		239.6	234.4			241.77	91.5

* Not seasonally adjusted.

Thomas Tilling profits move ahead to £73.6m

FOLLOWING A rise from £30.1m to £31.7m at halfway, taxable profits of industrial holding company, Thomas Tilling amounted to £73.6m for the whole of 1981, compared with a previous £70.7m. Sales for the year expanded by £353.5m to £2.05bn.

After a heavier tax charge of £23.5m, against £14.1m, earnings per share are down from 21.5p to 18.6p, but the dividend is stepped up to 9p (7.5p) with a final payment of 4.5p—a final of not less than 4p was forecast.

Before an interest charge of £34.1m (£28m) trading profits amounted to £107.7m, compared with £98.7m: mixed figures from the group divisions were highlighted by an upsurge in results from the energy equipment sector.

An analysis of sales and trading profits shows: builders' merchants £341.1m (£316.1m) and £10.8m (£15.6m); construction £281m (£277.5m) and £8.2m (£13.8m); energy equipment £383.4m (£195.7m) and £30.4m (£13.1m); health care £171.6m (£131.8m) and £13.1m (£9.9m); industrial equipment distribution £411.7m (£349m) and £13.4m (£17.7m); insurance £193.5m (£143.5m) and £12.5m (£9.3m); manufacturing engineering £166.4m (£151.1m) and £9.2m (£7.2m); other activities £138.4m (£131.9m) and £10.1m (£13.1m).

A geographical split is given as: UK £1.05bn (£1.07bn) and £47.3m (£62.6m); U.S. £850.8m (£505.7m) and £52.3m (£29.9m); rest of world £140.5m (£125.6m) and £8.1m (£7.2m).

After extraordinary debits of £3.1m (£4.6m), and minority interests of £0.3m last time, the available balance came through at £42m, against £52m, of which dividends will absorb £22.2m (£20.3m).

The extraordinary items for 1981 include losses on divestment of part of Cleco's insulation business and Lloer's construction equipment manufacturing operations.

During the year £52m was invested in fixed assets and £33m in acquisitions, the directors point out. Net borrowings rose by £64m to £222m; of the increase £42m resulted from translating foreign currency borrowings into sterling, and £22m due to cash acquisitions offset by a cash inflow from operations.

Balance sheet gearing at the year end was 33 per cent, compared with 27 per cent.

On a CCA basis pre-tax figure is £40.8m (£31.9m).

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bejam, A. and J. Mucklow, Pressac, F. W. Thorpe.

Finals: James Fisher, Guest Keen and Nettlefolds, Hall Engineering, House of Leroes, Liverpool Daily Post and Echo, Sale Tilney, Sedgwick, Sharpe and Fisher, Smedley, Supra.

FUTURE DATES

Interims—	
British Car Auction	Mar 23
Capseals	Mar 22
Cope Allman International	Mar 26
Emess Lighting	Mar 26
Meyneris	Mar 24
Finals—	
American Trust	Mar 30
Finlay Packaging	Mar 23
Hestair	Apr 22
Tricentrol	Mar 25
Weir Group	Mar 31

Boddingtons' 16.8% rise in line with forecasts

A 18.8 PER CENT increase from £5.35m to £6.25m in pre-tax profits is reported by Boddingtons Breweries, the independent Manchester brewer, for 1981. Turnover improved by 18.7 per cent from £24.7m to £29.33m. The final dividend is raised from 1.6p to 1.9p for a total increased from 3p to 3.5p.

Mr Ewart Boddington, the chairman, says both pre-tax profits and dividends are in line with the forecast made when acquiring Oldham Brewery in January 1982.

Boddingtons' volume sales were marginally down during the year, but the company's free trade continued to expand. Investment was maintained at a high level (£2.9m), with the bulk of this (£2.2m) going into new public houses, and repairs and improvements to existing houses.

Mr Boddington describes the year's overall results as "satisfactory." Profits have managed to beat inflation by a reasonable margin and volumes have stayed up well, particularly when looked at in the light of the general decline in beer sales.

He believes that once the economy begins to pick up the company will be well-placed to make further progress, although he says the current year is likely to be difficult.

The pre-tax figure was after investment income of £315,000 (£71,000), and finance charges down from £92,000 to £71,000. Tax for the year was little changed at £2.44m (£2.48m), and after an extraordinary credit of £261,000 (£29,000), attributable profits were £4.07m (£2.9m). After dividends, which absorb £1.38m (£1.01m), retained profits were £2.68m against £1.89m.

● comment

The rise and rise of Boddingtons continues. Although volume was down by 1.2 per cent, the brewer has been picking up market and even after October's price increase which added £250,000 to profits, Boddington continues to undercut the opposition by about 3p to 4p a pint. Given the scale of the pub improvement programme, there are potentially significant benefits arising out of Scottish and Newcastle's victory this month over the Inland Revenue. The company is now submitting Oldham's operations to close scrutiny but it has already promised to keep the brewery open for at least five years, increasing its capacity by around 100,000 barrels a year to 550,000. At 151p, down 2p, the shares, yielding 3.3 per cent and on an historic p/e of 17 are as fancily rated as ever.

Yearlings total £11m

Yearling bonds totalling £11.35m at 13⅜ per cent redeemable on March 23, 1983 have been issued this week by the following local authorities.

Castle Morpeth BC £0.5m; Chewell DC £0.5m; East Hampshire DC £0.5m; East Lothian DC £0.5m; Hackney (London Borough of) £1m; Middlesbrough (Borough of) £0.5m; Rotherham (Metropolitan Borough of) £0.5m; Tweeddale DC £0.25m; Blaenau Gwent (Borough of) £0.25m; Cleveland CC £1m; Hambleton DC £0.25m; Lichfield DC £0.25m; Macclesfield DC £0.4m; Mansfield DC £0.3m; Ogwr BC £0.15m; Reigate and Banstead (Borough of) £0.5m; Rochdale Metropolitan BC £0.5m; South Oxfordshire DC £0.5m; Lambeth (London Borough of) £1m; Stirling DC £0.5m; Hounslow (London Borough of) £0.5m; Tunbridge Wells BC £0.25m; Wimborne DC £0.25m; Arun DC £0.25m; Chester-Le-Street DC £0.25m.

Eastington DC has issued £0.25m of 14¼ per cent bonds for redemption on March 13, 1985.

Inchcape Bhd. downturn

Lower than anticipated profits of S$51,411 (£13,402 at current rates) compared with S$110,611, are announced by Inchcape Berhad, Singapore subsidiary of Inchcape, for 1981. Turnover rose slightly from $1.28m to $1.3m.

The directors say there was a recession in the commercial vehicle market in Malaysia, which became more pronounced in the second half of the year. Fluctuating exchange rates affected motor margins.

Tax took $20,956 ($49,903), minorities $223,000 ($1.25m credit) and there was an extraordinary credit of $273,000 ($896,000).

CLYDE PET.

Acceptances have been received in respect of 91.2 per cent of the 41.9m shares of Clyde Petroleum offered in a rights issue at 70p per share. The balance has been sold in the market at a gross premium of 4.5p per share. ($896,000)

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$300	10	24.50 B	—	—	—	—	$316.50
GOLD C	$325	80	12	69	21 B	5	30	"
GOLD C	$350	15	5.50	50	14	25	21	"
GOLD C	$375	—	—	12	7	8	11.50 B	"
GOLD P	$300	580	10 A	21	14.50 A	71	17	"
GOLD P	$325	145	20 A	7	24	—	—	"
GOLD P	$350	32	41 A	31	38	3	43	"
13¾ NL 81 87-91								
C	F.107.50	10	3.80	152	4	—	—	F.111.60
C	F.110	60	1.80	32	2.30	e	2.70	"
12 NL 81 85-88								
C	F.108.50	—	—	49	3	—	—	F.105
10¾ NL 80 86-95								
C	F.97.50	110	e	14	e	—	—	F.102.50
C	F.100	—	—	54	3.10	—	—	"
P	F.100	—	—	—	—	35	1	"
11¼ NL 82 88-92								
C	F.102.50	60	1.30	250	1.90	e	2.50	F.103.30
P	F.102.50	350	0.50	—	—	—	—	"
		April		July		Oct.		
AKZO C	F.22.50	10	5.80 A	—	—	—	—	F.27.90
AKZO C	F.25	25	3.10	e	4	—	—	"
AKZO C	F.27.50	11	1.20	25	1.60	20	2.30	"
AKZO C	F.30	—	—	15	0.90	5	1.20 A	"
AKZO P	F.27.50	—	—	69	1.60	12	2.40	"
HEIN C	F.50	12	2.40 B	—	—	—	—	F.51.10
HEIN C	F.55	—	—	—	—	39	2.40	"
HEIN P	F.50	20	1	—	—	—	—	"
IBM C	$60	e	1⅛	—	—	—	—	$57⅞
IBM C	$55	—	—	15	2¼	—	—	"
KLM C	F.90	12	12.30 B	—	—	—	—	F.101.50
KLM C	F.100	32	4.90	—	—	—	—	"
KLM C	F.110	20	2.20	67	6.30	—	—	"
KLM C	F.120	23	0.90	—	—	—	—	"
KLM P	F.80	28	0.20	10	1	—	—	"
KLM P	F.90	40	0.80	17	3.10	4	4.80	"
KLM P	F.100	10	3.80	—	—	—	—	"
NEDL C	F.110	13	3.50	—	—	—	—	F.109
NEDL C	F.120	—	—	12	2	—	—	"
NEDL C	F.130	—	—	4	1.50	—	—	"
NEDL P	F.110	10	3.90	—	—	—	—	"
NEDL P	F.120	4	11.50	—	—	—	—	"
NEDL P	F.130	10	21.50	—	—	—	—	"
NATN C	F.105	46	0.80	—	—	—	—	F.104.30
NATN P	F.105	—	—	—	—	12	5	"
NATN P	F.110	5	6.50	—	—	—	—	"
PHIL C	F.20	40	1.90	101	2.20	—	—	F.21.60
PHIL C	F.22.50	222	0.40	41	1	180	1.60	"
PHIL C	F.25	50	0.10	82	0.50 A	33	0.80 A	"
PHIL P	F.22.50	—	—	40	1.60	5	1.90	"
PHIL P	F.25	17	3.50	10	5.60	—	—	"
RD C	F.80	256	2.70	19	4 B	16	5.50 B	F.80.40
RD C	F.90	155	0.60	12	1.60	8	2.30	"
RD P	F.70	140	0.30	70	1.20	—	—	"
RD P	F.80	17	2.50	132	5.90 A	5	7	"
RD P	F.90	60	9.80	—	—	—	—	"
UNIL C	F.150	19	2.40	13	4	—	—	F.147
UNIL C	F.160	—	—	126	1	—	—	"
UNIL P	F.140	195	1.30	—	—	—	—	"
UNIL P	F.150	7	13	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 5518

A=Asked B=Bid C=Call P=Put

Johnson Cleaners shows little change at £4.12m

SEVERE winter weather seriously affected retail dry cleaning profits at Johnson Group Cleaners which finished the year with taxable earnings slightly ahead to £4.12m, compared with £4.04m. Turnover for the 12 months to December 26 improved from £41.8m to £43.99m.

The total dividend has been raised 10 per cent to 7.7p (7p) with a higher second interim of 5.55p (5p). Earnings per ordinary 25p share were stated as lower at 17.97p, compared with 28.2p.

"Unlike many other service industries," says Mr John Crockatt, chairman, "dry cleaning and textile rental have continued to show an improvement even in this recession." However, he does not foresee any real increase in volume until the pressures on consumer spending are eased and the number of people employed, especially in manufacturing, stops falling.

Trading profits were slightly lower at £4.68m (£5.12m). Mr Crockatt points out that retail dry cleaning showed an increase in operating costs which were not offset by a sufficient increase in turnover. This was accentuated by the severe weather in the final two weeks of the year which had a serious affect on anticipated pre-Christmas profits.

"Textile rental was affected by a reduction in the number of people being employed in industry," he adds. Income from non-trading properties was less because of the unusually high volume of property sales transacted in the previous financial year, he says.

A breakdown of turnover and trading profits by division shows: dry cleaning £30.45m (£28.76m), £3.33m (£3.46m); textile rental £13.54m (£13.04m), £1.05m (£1.12m). Income from non-trading properties fell from £539,000 to £277,000.

Interest charges declined from £992,000 to £432,000, which, Mr Crockatt says, reflects substantially lower borrowings. The higher tax charge of £1.75m (£598,000) was caused by a slowdown in capital expenditure at £5.7m (£7.8m).

Pre-tax profits were struck after an increased contribution to the pension fund of £104,000 (£82,000).

After extraordinary credits down from £1.2m to £753,000, and minorities, attributable profits emerged lower at £3.12m, against £4.65m.

There was a transfer to the debenture redemption sinking fund of £79,000 (£73,000).

Deferred taxation of £181,480 (£1.28m) has not been provided in respect of accelerated taxation allowances on fixed assets and rental stocks bought during the year.

On a current cost basis attributable profits fell from £1.55m to £832,000.

● comment

This is the Johnson Group's third year of producing pre-tax results at the £4m level, a feat which underlines the conservative, almost plodding nature of this group. Trading in any area ruled by discretionary expenditure continues to be tough going and Johnson has been stymied by a mature market and an overall volume decline in the year of at least 5 per cent. But while Sketchley has made a grab for an ambitious U.S. expansion, Johnson has preferred to tiptoe gently in the U.S. Two small acquisitions recently made across the Atlantic are expected to add no more than £1m to trading profits in the current year. At home, the 10 per cent increase in the dividend reflects the company's belief that the bottom may have been reached with some recovery in volume and margins starting to come through. The shares reflect some market scepticism. They lost 12p yesterday to land at 200p where the full-taxed p/e is 10.7 and the yield is 5.65 per cent.

Dewhurst Dent—Anglo African Finance on March 10 bought 25,000 shares and on March 11 25,000 shares all at 81p. Total holding 45.94 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

[illegible]

Companies and Markets CURRENCIES, MONEY and GOLD

Dollar eases

The dollar was slightly easier yesterday in quiet and featureless trading and reflected a softer trend in Euro-dollar rates. Sterling retained a firmish undertone, making small gains against the dollar and most European currencies.

The French franc continued to lose ground within the European Monetary System yesterday but it was the Belgian franc that was placed at the bottom of the system, showing an even sharper fall. French interest rates were again increased and the Bank of France was in the foreign exchange market giving support. The D-mark was firmer, standing only just below the third placed Irish punt while the Dutch guilder retained its place at the top of the system.

STERLING — Trade weighted index 90.7 against 90.7 at noon, 90.6 at the opening and Tuesday's close (87.7 six months ago). Three-month interbank 13⅞ per cent (14½ per cent six months ago). Annual inflation 12 per cent (unchanged from previous month)—Sterling opened at $1.8060-1.8070 and touched a low level of $1.8130 during the afternoon before closing at $1.8095-$1.8105, a rise of 45 points from Tuesday's close in London. Against the D-mark it was unchanged at DM 4.2950 but rose against the Swiss franc to SwFr 3.4050 from SwFr 3.3975. It was also stronger against the French franc at FFr 11.10 from FFr 11.05.

DOLLAR—Trade weighted index (Bank of England) 113.8 against 114.0 on Tuesday and 107.2 six months ago. Three-month Treasury bills 12.62 per cent (14.25 per cent six months ago). Annual inflation rate 8.4 per cent (8.9 per cent previous month)—The dollar closed at DM 2.3715 from DM 2.3775 against the D-mark and SwFr 1.8810 from SwFr 1.8800 in terms of the Swiss franc. It was weaker against the Japanese yen, closing at Y241.15 compared with Y241.40 on Tuesday.

D-MARK — EMS member (central position). Trade weighted index 122.9 against 122.6 on Tuesday and 120.7 six months ago. Three-month interbank 9.875 per cent (12.30 per cent six months ago). Annual inflation 5.8 per cent (6.3 per cent previous month)—The D-mark was stronger at yesterday's fixing in Frankfurt. The dollar fell to DM 2.3764 from DM 2.3795 and sterling was lower at DM 4.2950 compared with DM 4.3010. Within the EMS the French franc slipped to DM 38.70 per FFr 100 from DM 39.630, moving closer to its floor level of DM 38.16. The Belgian franc was also weaker at DM 5.37 per BFr 100 from DM 5.4010.

BELGIAN FRANC — EMS member (second weakest). Trade weighted index 95.6 against 96.0 on Tuesday and 107.5 six months ago. Three-month Treasury bills 13.75 per cent (15.75 per cent six months ago). Annual inflation 7.6 per cent (8.3 per cent previous month)—The Belgian National Bank spent the equivalent of BFr 8bn last week in supporting the Belgian franc. This helped to keep the franc somewhere near its EMS central rate and while there is no pressure on the currency at the moment, there seems to be little likelihood of a drop in the discount rate which had been rumoured recently. Concern over a possible adjustment of the Belgian franc within the EMS was seen as unlikely by Treasury officials so soon after last month's devaluation. However there is still some tension as the French franc continues to decline. At yesterday's fixing in Brussels tha dollar rose to BFr 44.29 from BFr 44.0850 and sterling to BFr 80.1375 from BFr 79.7225. The D-mark was also higher at BFr 18.6540 from BFr 18.55.

THE POUND SPOT AND FORWARD

March 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8055-1.8130	1.8095-1.8105	0.18-0.28c dis	−1.52	0.68-0.78dis	−1.61
Canada	2.1950-2.2010	2.1980-2.1990	0.35-0.45c dis	−2.18	1.25-1.35dis	−2.36
Nethlnd.	4.69½-4.72½	4.71-4.72	2-1½c pm	4.45	5¼-4⅞ pm	4.35
Belgium	79.60-80.30	80.13-80.25	10-25c dis	−2.62	35-50 dis	−2.12
Denmark	14.40-14.48	14.42-14.43	1½-2½ore dis	−1.77	7-8½ dis	−2.19
Ireland	1.2150-1.2210	1.2185-1.2195	0.54-0.67p dis	−5.96	1.61-1.82dis	−5.63
W. Ger.	4.28-4.31	4.29-4.30	1½-1¼pf pm	4.19	4½-4¼ pm	4.19
Portugal	126.40-127.20	126.75-127.05	70-195c dis	−12.53	221-415dis	−10.02
Spain	188.20-188.90	188.45-188.65	20-50c dis	−2.23	125-180 dis	−3.02
Italy	2,322-2,332	2,329-2,331	17-20 lire dis	−9.53	52-55 dis	−9.18
Norway	10.85-10.90	10.86-10.87	½-1½ore dis	−0.97	4½-6 dis	−2.00
France	11.06-11.12	11.09½-11.10½	3¼-10¼c dis	−10.00	18¼-19½dis	−6.88
Sweden	10.52-10.56	10.53½-10.54½	1½-½ore pm	1.00	2½-1½ pm	0.81
Japan	433-440	436-437	2.62-2.34y pm	6.82	7.82-7.24 pm	6.78
Austria	30.05-30.25	30.08-30.13	15½-12gro pm	5.48	36-29 pm	4.32
Switz.	3.39-3.42	3.40-3.41	2½-2c pm	7.93	6¼-6¼ pm	7.48

Belgian rate is for convertible francs. Financial franc 88.70-88.80. Six-month forward dollar 1.40-1.50c dis. 12-month 2.55-2.70c dis.

THE DOLLAR SPOT AND FORWARD

March 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8055-1.8130	1.8095-1.8105	0.18-0.28c dis	−1.52	0.68-0.78dis	−1.61
Ireland†	1.4810-1.4900	1.4850-1.4900	0.60-0.50c pm	4.44	1.60-1.40 pm	4.04
Canada	1.2140-1.2165	1.2150-1.2155	0.06-0.09c dis	−0.74	0.23-0.27dis	−0.82
Nethlnd.	2.6000-2.6100	2.6060-2.6090	1.35-1.25c pm	6.00	3.88-3.78 pm	5.88
Belgium	44.15-44.35	44.33-44.35	par-4c dis	−0.54	par-5 dis	−0.22
Denmark	7.9560-7.9870	7.9550-7.9650	0.15ore pm-par	0.11	0.40-0.90dis	−0.32
W. Ger.	2.3680-2.3776	2.3710-2.3720	1.15-1.10pf pm	5.69	3.43-3.38 pm	5.74
Portugal	70.00-70.35	70.10-70.30	30-95c dis	−10.68	85-200 dis	−8.12
Spain	103.95-104.30	104.20-104.25	par-10c dis	−0.58	25-40 dis	−1.25
Italy	1,286-1,288½	1,287¼-1,288¼	8¼-9¼ lire dis	−8.16	24-26 dis	−7.77
Norway	5.9950-6.0300	5.9950-6.0050	0.30-0.10ore pm	0.40	0.05-0.25dis	−0.10
France	6.1175-6.1400	6.1350-6.1400	3.50-4.25c dis	−7.58	7.25-8.25dis	−5.05
Sweden	5.8150-5.8325	5.8160-5.8250	1.35-1.20ore pm	2.63	3.95-3.80 pm	2.66
Japan	239.50-241.75	241.10-241.20	1.75-1.60y pm	8.33	4.95-4.80 pm	8.09
Austria	16.62½-16.70	16.64½-16.65½	10.60-9.40gro pm	7.27	26½-23½ pm	6.01
Switz.	1.8750-1.8870	1.8805-1.8815	1.49-1.41c pm	9.25	4.27-4.19 pm	9.00

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 17	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.7	−39.9
U.S. dollar	113.8	+5.3
Canadian dollar	88.6	−17.4
Austrian schilling	116.8	+24.6
Belgian franc	95.6	−1.3
Danish kroner	84.2	−16.0
Deutsche mark	122.9	+45.9
Swiss franc	154.9	+107.7
Guilder	115.1	+22.1
French franc	79.2	−16.0
Lira	54.8	−57.9
Yen	136.1	+30.2

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 16	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.621879	0.561940
U.S. $	12	1.19290	1.01543
Canadian $	15.06	1.66523	1.23516
Austria Sch.	6¾	18.7592	16.9576
Belgian F.	15	49.5030	44.7752
Danish Kr.	11	8.95962	8.11071
D mark	7½	9.67138	2.41616
Guilder	8½	Unavail.	2.64662
French Fr.	9½	6.87552	6.21237
Lira	19	1444.89	1305.84
Yen	6½	270.057	245.539
Norwgn. Kr.	9	6.73066	6.09560
Spanish Pts.	8	117.118	105.858
Swedish Kr.	10	6.53191	5.91079
Swiss Fr.	8	2.11330	1.90849
Greek Dr'ch.	20½	—	62.5705

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	44.9617	+0.57	+0.57	±1.5440
Danish Krone	8.18382	8.10278	−0.99	−0.99	±1.6428
German D-Mark	2.41815	2.41049	−0.32	−0.32	±1.1097
French Franc	6.19564	6.22565	+0.48	+0.48	±1.3743
Dutch Guilder	2.67296	2.64494	−1.05	−1.05	±1.5068
Irish Punt	0.686799	0.684622	−0.33	−0.33	±1.6689
Italian Lira	1305.13	1305.96	+0.07	+0.07	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for March 17 .... 0.560896

OTHER CURRENCIES

Mar. 17	£	$		£ Note Rates
Argentine Peso	20,578-90,698†	11,350-11,400†	Austria	30.00-30.90
Australia Dollar	1.7050-1.7070	0.9430-0.9455	Belgium	87¾-88¾
Brazil Cruzeiro	263.11-264.11	145.56-146.01	Denmark	14.28-14.48
Finland Markka	8.3340-8.3445	4.5500-4.5530	France	11.02-11.12
Greek Drachma	108.255-112.580	61.30-61.50	Germany	4.27½-4.31½
Hong Kong Dollar	10.46-10.47½	5.7870-5.7920	Italy	2300-2345
Iran Rial	147.40*	81.70*	Japan	436-441
Kuwait Dinar(KD)	0.511-0.517	0.2849-0.2851	Netherlands	4.68-4.72
Luxembourg Fr.	80.15-80.25	44.33-44.35	Norway	10.84-10.94
Malaysia Dollar	4.1985-4.2085	2.3230-2.3260	Portugal	124-129
New Zealand Dlr.	2.3225-2.3265	1.2845-1.2855	Spain	185-194
Saudi Arab. Riyal	6.14-6.20	3.4175-3.4196	Sweden	10.48-10.58
Singapore Dollar	3.8310-3.8410	2.1195-2.1213	Switzerland	3.38¼-3.49¼
Sth. African Rand	1.8648-1.8660	1.0300-1.0310	United States	1.80-1.82
U.A.E. Dirham	6.60-6.66	3.6715-3.6735	Yugoslavia	92-99

† Now one rate. * Selling rate.

EXCHANGE CROSS RATES

Mar. 17	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1	1.810	4.295	436.5	11.10	3.405	4.715	2330.	2.199	80.20
U.S. Dollar	0.552	1.	2.373	241.2	6.133	1.881	2.605	1287.	1.213	44.31
Deutschemark	0.233	0.421	1.	101.6	2.584	0.793	1.098	542.5	0.512	18.67
Japanese Yen 1,000	2.291	4.147	9.840	1000.	25.43	7.801	10.80	5338.	5.037	183.7
French Franc 10	0.901	1.631	3.869	393.2	10.	3.068	4.248	2099.	1.981	72.25
Swiss Franc	0.294	0.532	1.261	128.2	3.260	1.	1.385	684.3	0.646	23.56
Dutch Guilder	0.212	0.384	0.911	92.58	2.354	0.722	1.	494.2	0.466	17.01
Italian Lira 1,000	0.429	0.777	1.843	187.3	4.764	1.461	2.024	1000.	0.944	34.42
Canadian Dollar	0.455	0.823	1.954	198.5	5.049	1.549	2.146	1060.	1.	36.48
Belgian Franc 100	1.247	2.257	5.355	544.3	13.84	4.246	5.879	2905.	2.741	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 17)

3 months U.S. dollars		6 months U.S. dollars	
bid 13 1/8	offer 13 1/4	bid 15 1/8	offer 15 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

[illegible]

MONEY MARKETS

Revised shortage

London clearing bank base lending rate 13 per cent (since March 12)

Interest rates were generally easier yesterday after Tuesday's generous assistance in the money market by the Bank of England. This was seen as trying to take out some of the steam in the short end of the market and its success was reflected in the overnight interbank rate at one point to 12 per cent. This was soon after the Bank had given £181m help on a £150m shortage but unfortunately an unexpected tightening of funds later in the day saw overnight money quoted at over 20 per cent at one point. Closing balances were taken around 14 per cent. Discount houses were generally well placed before the sharp rise and paid between 12 per cent and 13 per cent for secured call loans.

The Bank gave an early forecast of a shortage of around £150m, with bills maturing in official hands and a net take up of Treasury bills accounting for £152m and the unwinding of previous sale and repurchase agreements a further £361m.

These were partly offset by Exchequer transactions of £200m and bankers' balances brought forward £150m above target. Assistance in the morning totalled £181m with the authorities buying £38m of eligible bank bills in band 1 (up to 14 days maturity) at 13⅛ per cent and £143m in band 2 (15-33 days) at 13 per cent.

The shortage was later revised to £300m and then to £250m, without taking into account the morning's operations. Additional assistance comprised purchases of £63m of bills, making a grand total of £244m. The afternoon help was made up of purchases of eligible bank bills; £16m in band 1 at 13 per cent, £36m in band 2 at 12⅞ per cent and £11m in band 4 (64-84 days) at 12⅝ per cent.

In Paris call money rose to 15 per cent from 14½ per cent, its highest level for six weeks, as the authorities reacted to weakness of the French franc. In addition the discount rate on seven-day Treasury bills was increased to 15¼ per cent from 15 per cent. The Bank of France intervened earlier in the week to add liquidity after the recent rise in short term interest rates had caught many people by surprise, and the Bank seems determined to retain control over interest rate levels.

MONEY RATES

NEW YORK	
Prime rate	16½
Fed. funds (lunch-time)	14⅞-14¾
Treasury bills (13-week)	12.62
Treasury bills (26-week)	12.70
GERMANY	
Special Lombard	10.00
Overnight rate	9.90
One month	9.975
Three months	9.80
Six months	9.575
FRANCE	
Intervention rate	14.0
Overnight rate	15.0
One month	15.625
Three months	15.625
Six months	15.625
JAPAN	
Discount rate	5.50
Call (unconditional)	6.59375
Bill discount (three-month)	6.53125

GOLD

Weaker trend

Gold fell $10 an ounce from Tuesday's close in the London bullion market yesterday to close at $312¼-313¼. It opened at $313¼-314¼ and touched a best level of $316½-317½ during the day and a low of $312-313.

In Frankfurt the 12½ kilo bar was fixed at DM 24,130 per kilo ($315.99 per ounce) against DM 24,750 ($324) previously and closed at $315-316 from $324-325.

In Paris the 12½ kilo bar was fixed at FFr 63,850 per kilo ($323.91 per ounce) in the afternoon compared with FFr 62,800 ($318.70) in the morning and FFr 63,800 ($324.09) on Tuesday afternoon.

In Zurich gold finished at $315-318 against $323-326.

Gold Bullion (fine ounce)

[illegible]

Gold Coins

[illegible]

LONDON MONEY RATES

[illegible]

Chrysler and Harvester face doubtful future

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE BLEAK outlook for Chrysler and for International Harvester (IH), two of the sick companies within the U.S. automotive industry, is that they probably will have to make widespread closures and then be absorbed by their competitors.

Like Chrysler and IH, American Motors and Volkswagen (VW) of America exist only because those who have money in them are at present prepared to take the view that long-term returns will be better than the short-term returns from winding them up.

However, Renault already has a major shareholding in American Motors and it would be surprising if Renault and Volkswagen — having come this far —were to back out at this stage.

For American Motors, the eventual outcome could be absorption by Renault and withdrawal from the market of a large proportion of its traditional products.

For VW of America there could be a long delay in pursuing its expansion plans.

These are some of the main conclusions in an Economist Intelligence Unit special report, A Financial Assessment of the U.S. Automtoive Industry

The report suggests that the two largest U.S. manufacturers, General Motors (GM) and Ford, have the muscle to maintain their positions, as do the two smallest truck-builders Mack and Paccar.

However it points out that the *long-term investment plans of* GM — $40bn worldwide in the five years 1980-84 — appears to be subject to considerable revision which will affect investment levels both in plants and products. It is possible that the planned level of capital expenditure might be cut in 1982 and, if so, there need be no further deterioration in the corporation's balance sheet.

Ford, since 1980, has responded to the difficult trading conditions by a vigorous cost-cutting programme, largely involving the closure of production facilities in the U.S.

Even so, this action has served only to reduce losses rather than restore profitability.

Capital expenditure in 1981 was well down on planned levels — $1.5bn in the first nine months compared with a forecast capital expenditure for tha year of $3.3bn and a forecast for the 1981-85 period of $20bn — as the company took the view it was not worthwhile to borrow in 1980 and 1981 for possible rewards in 1982 and 1983.

The report points out that Chrysler in the first nine months of 1981 lost $444 on every car sold and it is difficult to sea how prices could be increased or costs reduced sufficiently to take the company back to profits this year.

Chrysler needs a positive *cash flow of $1.4bn a year* to meet its capital expenditure programma and this would only he possible through sales of more assets.

"Unless substantial profits are forthcoming by mid-1983, even the sale of assets would not be sufficient for the capital expenditure programme to be met. In these circumstances it would seem likely that large sections of the corporation would have to be closed, which could mean that the smaller part remaining would not be sufficient to carry the overhead of a national organisation. Those parts of the organisation still in business would be effectively absorhed — perhaps by Peugeot, Mitsubishi, General Motor or Ford, or perhaps even by American Motors backed by Renault."

International Harvester, the truck producer, is in a similar position to Chrysler and further asset sales by the group are likely. "In the longer term the independent survival of the company in its present form must be questionable."

EIU special report 118. "A Financial Assessment of the U.S. Automotive Industry. £75 or $150 from 27, St James'a Place, London SW1A 1NT.

Security Pacific problem loans grow

BY OUR FINANCIAL STAFF

SECURITY PACIFIC, holding company for the second largest bank in California and the tenth biggest in the U.S., reveals that its problem loans in 1981 rose to $333m from $216m in 1980—the highest year-end level of the past five years.

The company, which made the disclosure in its annual report, said the biggest increase in problem assets occurred in non-real estate related domestic loans and leases which increased $75m to $164m.

The company also reported that loans to Costa Rica and Poland were put on a non-accrual status in 1981, but provided no details.

Security Pacific said total foreign loans on a non-accrual status declined to $53m last year from $57m in 1980.

Redneed-rate domestic business loans on a non-accrual status rose to $48m from $16m, due mainly to restructuring of loans to International Harvester.

Net earnings of the company totalled $207.2m last year, against $181.9m in 1980 with fourth quarter profits rising from $49.9m to $53.6m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday March 23. Closing prices on March 17

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
APS Fin. Co. 17⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
APS Fin. Co. 16⅛ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Arco O/S Fin. 15⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australian Ind. 15½ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Baker Int. Fin. 0.0 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bank Montreal 16¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Br. Colum Hyd. 16⅛ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Br. Colum. Mfn. 17 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Burroughs Int. 15⅝ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadair 15½ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Nat. Rail 14¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Carolina Power 16⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Caterpillar Fin. 16⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CFMP 15½ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC 18⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC 16 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp O/S 16⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Bathurst 17⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Con. Illinois 15⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dupont O/S 14⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dupont O/S Cap. 0.0 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 16⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen. Elec. Credit 0.0 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen. Elec. Credit 0.0 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC O/S Fin. 16⅞ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC O/S Fin. 16 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gulf Oil Fin. 0.0 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gulf States O/S 17⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan Airlines 15⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan Dev. Bk. 15⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. Bk. Canada 16⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. West 14⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Brunswick 17 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Brunswick 16⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New & Lab. Hy. 17⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ohio Edison Fin. 17⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKG 15⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Hyd. 18 91 (N)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pac. Gas & El. 15⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
J. C. Penney Gl. 0.0 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 17⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Prov. 15⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.J. Rynlds. O/S 0.0 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saskatchewan 16⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saskatchewan 18 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scotstorstag 15⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 14⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. Ex. Cred. 16⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Texas Eastern 15⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transcanada 16 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winnipeg 17 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WMC Fin. 15⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 16⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 16⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 15⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average price changes... On day [illegible] on week [illegible]						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 9⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balgelectric 11 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 10 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coun. of Europe 10 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C. of Europe 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EEC 10⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 9⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland, Rep. of 10⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Inter-American 10 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Inter-American 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland 10⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mexico 11 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Midland Int. Fin. 8⅞ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mt. Bk. Dnmk. 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. West. 9⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand 9⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 10⅞ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. Ex. Cred. 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Venezuela 11⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 10⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average price changes... On day [illegible] on week [illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anseit Transport 7⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian Dev. Bank 8 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia 6⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balgelectric 7⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bell Canada 7⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bst. de Autopistas 8 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark 7⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dome Petroleum 7⅞ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elec. de France 7 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ENEL 8 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gencor 7 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I/S Elsam 6⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan Air Lines 7⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nedor. Gasunie 8 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon T. and T. 5⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 7⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of 8 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ost. Donaukraft 7 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saint-Etienne 8⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. Ex. Cred. 7⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TNT O/S Fin. 8 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transcanada Pipe. 7 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unilever NV 7⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 7 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 3 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average price changes... On day [illegible] on week [illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland, Rep. of 8⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int.-Amer. Dev. 8⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan Airlines 7⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand 8⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average price changes... On day [illegible] on week [illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Utilities 17 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC 15½ 89 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Panconadian 16⅞ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec 17⅞ 87 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Queb. Urban 16⅞ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tordom Cpn. 16⅞ 88 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transalta 17 88 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U. Bk. Nwy. 9⅞ 90 EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Algemene Bk. 10⅞ 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amfas Group 13⅞ 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amro Bank 12 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amro Bank 12 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pierson 10⅞ 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rabobank 12 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 14 86 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Solvay et C. 14⅞ 86 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Acona 14 86 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beneficial 14⅞ 90 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BNP 13⅞ 91 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 13⅞ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp O/S 13⅞ 90 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin. Ex. Cred. 13⅞ 86 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen. Elec. Co. 12⅞ 89 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hiram Walker 14⅞ 86 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Privatbanken 14⅞ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Reed (Nd) NV 16⅞ 89 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
J. Rothschild 14⅞ 90 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal Trustco 14 86 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. Ex. Cr. 13⅞ 86 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofima 10⅞ 87 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 9⅞ 88 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bank of Tokyo 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bk. Nova Scotia 5⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BFCE 5⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BFCE 5⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Christiania Bk. 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Co-Bon Eurofin 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Credit Nat. 5⅞ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark, Kngdm. of 5⅞ [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Den Norske Cred. 5⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gentinance 5⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GZB 5⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ind. Bank Japan 5⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lloyds Eurofin 5⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LTCB Japan 5⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Midland Int. Fin. 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. Bk. Canada 5⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. West. Fin. 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Credit 5⅞ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nordic Int. Fin. 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Offshore Mining 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pemex 6 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PKbanken 5 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sanwa Int. Fin. 5⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scotland Int. 5⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sec. Pacific 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Societe Generale 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Societe Generale 5⅞ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Standard Chart. 5⅞ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Fin. 5⅞ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swedan 5⅞ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Toronto Dominion 5⅞ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average price changes... On day [illegible] on week [illegible]						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bow Valley Inv. 8 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bridgestone Tire 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canon 5⅞ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Daiwa Secs. 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fujitsu Fanuc 4⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Furukawa Elec. 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson O/S Fin. 9⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hitachi Cable 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hitachi Cred. Cpn. 5 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Honda Motor 5⅞ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Inchcape 8 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kawasaki 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marui 6 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minolta Camera 5 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minorca 5⅞ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Murata 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NKK 6⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Chemi-C 5 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Electric 5⅞ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Orient Finance 5⅞ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sanyo Electric 5 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Elec. 5⅞ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Met. 5⅞ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Bk. Cpn. 6⅞ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Konishiroku 8 90 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi H. 6 89 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Allied Irish Banks heads bond offer rush

By Alan Friedman

THE EURODOLLAR bond market sprang back to life last night with five new issues, four of which were floating rate note (FRN) offers.

A $100m 10-year floating rate note issue is being launched for Allied Irish Banks through CSFB, Allied Irish Investment Bank and Merrill Lynch. The paper will carry a spread of ¼ per cent above the mean of the bid and offered rates of six-month London interbank offered rate (Libor). A minimum coupon of 5¼ per cent is provided and the notes will be callable by the borrower from 1986 at par.

A $75m seven-year FRN *was brought to the market* yesterday for Isveimer, the Italian regional development bank. First Chicago is leading the issue, which provides a spread of ¼ per cent above six-month Libor and an added sweetener—a minimum coupon of 11 per cent.

Commerzbank is arranging a private placement for Ford Credit Canada; the $50m issue will be guaranteed by the Ford Motor Company in the U.S. The six-year notes carry a ¼-point spread over Libor and a 6 per cent minimum coupon.

The smallest new FRN in the market is a $20m five-year offer for Friesch-Groningsche Hypothekbank, *the Dutch mortgage bank.* The spread is a generous ½ point above three-month Libor and the lead-manager is Banque Gutzwiller Kurz Bungener.

In the fixed-interest dollar sector a $45m seven-year issue is out for Pacific Gas, the U.S. utility. The indicated coupon is 15½ per cent at par and tha bonds are callable in 1987 at 100½ and at par in 1988. CSFB is leading the offer.

Although it did not materialise last night, there were also strong rumours of a new issue for Banobras, the Mexican bank for financing public works.

In the secondary markets, the Eurodollar sector saw an average rise of ⅛ to ¼ point as six-month Eurodollar rates fell by more than ½ point to just above 15 per cent.

The Euro D-mark sector is hoping for a cut in the special Lombard rate when the Bundesbank meets today; prices yesterday rose by up to ½ point in some cases.

Interest rate optimism also continues in Switzerland, where prices of foreign bonds rose by ¼ to ½ point.

In Tokyo, meanwhile, Caisse Nationale des Telecommunications made its first appearance in the Samurai bond market with a Y20bn 10-year bond through Daiwa Securities. The 8.2 per cent coupon at 99.95 provides a yield of 8.209 per cent.

● Orion Royal Bank reports that its $30m 10-year FRN issue for Die Erste Oesterreichische Spar-Casse has gone well enough to justify an increase to $40m.

Yugoslavia resumes quest for credit

By Peter Montagnon, Euromarkets Correspondent

FINANCIALLY PRESSED Yugoslavia has resumed its search for international funds with a request to German banks for a medium-term credit of DM 200m and to French banks for a credit of $150m.

The requests were made to Deutsche Bank in the case of the German loan and to Banque de Paris et des Pays-Bas in the case of the French credit. They follow Yugoslavia's failure late last year to raise a $400m credit from a group of U.S., UK, Canadian and Japanese banks.

German banks are understood to plan a meeting for next week to consider the proposal which conforms to Yugoslavia's policy of seeking bilateral credits from groups of banks in countries with which it has close trade and economic relations. French bankers are also still studying the request.

But the latest credit proposals come at a delicate time as international banks are already deeply preoccupied with Poland's debt problems and Yugoslavia, which has total foreign debt of about $18.4bn, is being openly mentioned by many international bankers as a possible candidate for rescheduling.

Yugoslavia's foreign debt repayments this year amount to $4.7bn and its reserves at the end of last year were only $2.7bn. It is relying on an improvement in its balance of payments—last year the current account deficit was reduced to $750m from $2.3bn—to restore the confidence of international lenders.

AT&T advances by 16% after final quarter boost

BY PAUL BETTS IN NEW YORK

AMERICAN TELEPHONE and Telegraph, which owns and operates the Bell system, the dominant U.S. telephone group, yestarday reported a 16.5 per cent increase in earnings in its year ending last month to $7.09hn compared with $6.09bn in the previous 12 months.

In the latest quarter to February 28, earnings rose by 21.7 per cent to $1.78bn, compared with $1.46bn in the same period of the previous year.

Revenues for the latest 12 months totalled $59.6bn, or 15.2 per cent higher than the previous year, and for the latest quarter totalled $15.4bn, an increase of 15.9 per cent on the final-quarter revenues the year before. Annual per share profits came to $8.78 against $8.10.

Mr Charles Brown, chairman of AT&T, said the company was reassured by these results, given the stubbornness of the U.S. recession. The results, be said, "represent rigorous management of expenses, a strong marketing effort and a regulatory recognition of the relatioo-ship between sarvice and earnings."

He noted that a significant factor in Bell's performance this year "will be changes in depreciation practices that reflect onr need to recover capital investment more rapidly than in the past." These changes, he said, would increase Bell's depreciation expenses and thus affect earnings to the extent they are not offset by higher rates.

Commenting on the landmark consent decree Bell entered into with the U.S. Justice Department this year to enable AT & T to compete in non-regulated data processing and communications fields, Mr Brown once again said the settlement "will be found to be in the best interest of all concerned." The consent decree is currently open to public comment until April

Texas Instruments lay-offs

BY OUR NEW YORK STAFF

TEXAS INSTRUMENTS, the leading U.S. manufacturer of semiconductors, is to lay off about 3 per cent of its workers both in the U.S. and overseas. The Dallas-based electronics company said the decision would affect about 2,700 jobs.

The lay-offs will be primarily made in the company's semiconductors and distributed computing business, Texas Instruments said yesterday. These businesses have suffered from soft market conditions and excess capacity.

Texas Instruments said it had hoped that salective use of short term measures, like short work weeks, would have been sufficient to tackle current economic conditions and allow the company to carry excess manned capacity until the long awaited economic recovery starts.

But the delay of the economic recovery and the continued weakness of the U.S. and European market environment had forced the company to resort to the 3 per cent lay-offs.

The company reported recently a 49 per cent decline in earnings for 1981 to $108.5m on sales of $4.2bn. It hlamed weak demand, fierce competition and price cutting for this drop in profitability.

● Pratt and Whitney Aircraft of Canada, a subsidiery of United Technologies, said yesterday it will lay off an additional 462 employees, beginning this weekend, Reuter reports from Quebec.

Wienerwald seeks to cut debt

BY KEVIN DONE IN FRANKFURT

WIENERWALD, THE Swiss-based fried chicken restaurant, hotel and travel group, which has run into short-term liquidity problems as a result of rapid growth over the last four years, is seeking to increase the share of franchise bolders among its restaurant businesses worldwide.

Wienerwald has 1,551 businesses worldwide—of which more than 1,440 are restaurants—and a workforce of 25,400. Of around 450 restaurant operations in West Germany, some 100 are currently run on a franchise basis.

Herr Knut Lichtenstein, finance chief, said yesterday, that Wienerwald was now seeking to increase the franchise share of its outlets from around 25 per cent to more than two-thirds.

The funds released by this operation—if successful—could total more than DM 100m (£41.7m) over a period of three to four years, which would allow the group to cut borrowings. These presently total DM 260m of which a third is represented by short-term debt.

Wienerwald is relatively inexperienced with franchising in the Federal Republic, however, where it has previously preferred to operate with many of the restaurant businesses in the hands of wholly-owned group subsidiaries.

The company would continue to rent most of the restaurant properties itself, but franchises would be offered to independent operators who would purchase the fixtures and fittings. Currently many restaurant operators pay 7 per cent of their sales to Wienerwald for the use of company-owned kitchens and furnishings. In addition they pay a 5 per cent franchise fee and the rent.

After several years of explosive, perhaps over-ambitious growth, Wienerwald has virtually stopped all expansive investments. The uncertain state of the travel market bas also cast doubts over the company's travel subsidiary, Jahn Reisen, which was set up in 1979-80.

The group hopes that Jahn Reisen will break even in the current year ending October, 1982. According to Herr Lichtenstein: "We are in a period of consolidation."

Braniff chief quits to join Pan Am

By Our New York Staff

MR JOHN CASEY, chairman of the financially-ailing Braniff International *airline,* resigned yesterday to join the larger but also financially trouhled Pan American World Airways as executive vice-president of operations.

The resignation came as no big surprise as Mr Casey, had already passed on the reins at Braniff to Mr Howard Putnam, who now becomes chairmain and chief executive.

Mr Casey, who has been with Braniff since 1968, hecame chairman of tha Dallas-based airline after wbat is still regarded as a "Christmas management massacre" two years ago which led to the resignation of Braniff's long-standing chairman, Mr Howard Lawrence.

Mr Casey, wbo inherited a dreadful financial situation at Braniff, largely caused hy the airline's overstretched expansion programme nnder Mr Lawrence, recruited Mr Putnam last year to create a new management team to belp pull Braniff out of its financial troubles.

Mr Putnam has since aought to pull Braniff out of its desperate situation. The airline lost a record $160.6m last year and has dehts of more than $700m.

Manufacturers Hanover posts

By Our New York Staff

IN A redistribution of titles at the top of Manufacturers Hanover, New York's third largest hank, Mr John McGillicuddy who holds all the principal posts, has shed that of president. It bas been assumed jointly by Mr Harry Taylor, who becomes president of the holding company, and Mr John Torell, who becomes president of the bank. Both were previously vice-chairmen of the holding company.

Mr McGillicuddy said the new titles would continue Manufacturers Hanover's "office of the chairman" which has run the bank as a triumvirate for the last three years. The announcement also appeared to be desigend to end speculation as to who would assume the post of president in the company, which Mr McGillicuddy said he wished to shed.

French BP poor result blamed on price policy

By Terry Dodsworth in Paris

SOCIETE Francaise des Petroles BP (SFBP) the French subsidiary of British Petroleum, returned to the attack against the Government's refined oil pricing policies yesterday, after announcing net profits of FFr 85m ($14.2m) for 1981.

The result was arrived at, however, only after inter-company transfers, and the company talks of a "degradation" in its activity which was only at break-even point in 1980. These financial problems which eld to a FFr 24m operating loss, demanded an adaptation of its activities, it added, on the basis of the plan announced in January. This will involve the closure of most of its Dunkirk refinery with 900 job losses.

SFBP's results were arrived at after provisions of FFr 299m to depreciation, and FFr 291m to offset currency changes. The latter provision had been limited by the group's insufficient results, it said, at a time when the replenishment of stocks would cost FFr 1.7bn because of the heavy rise in the franc-denomiated price of crude oil.

Although turnover rose by 21 per cent from FFr 17.6bn to FFr 21.3bn, cash flow fell to FFr 524m from FFr 889m in 1980. Because of stock costs, there would be no dividend this year, the company said.

SFBP blames its difficulties partly on the shortage of Saudi Arabian crude oil, which was available at substantially cheaper prices than alternative supplies.

But it also protests against the Government's recent readjustment of controlled refined oil prices—which raised the price of domestic heating oil, but marginally cut the price of petrol—as too little and too late. The group had cut its stock levels substantially in order to control financing costs, SFBP added.

Swissair ahead but sees weaker revenue trend

BY BRIJ KHINDARIA IN GENEVA

NET PROFITS of Swissair rose by 22.5 per cent to SwFr 54.3m ($28.8m) for 1981, making the Swiss airline a rare money maker at a time when other operators are floundering in the red.

Turnover increased by about 17 per cent to SwFr 3.39bn, against SwFr 2.9bn in 1980 and SwFr 2.5bn in 1979. The dividend is being maintained at SwFr 35 a share.

Swissair said both passenger and freight traffic "picked up" in 1981 on all routes, enabling the company to achieve higher profits. But load factors this year have been less favourable.

Although the overall result includes the consolidated results of charter companies run or controlled by Swissair, the improved performance came from regular fare paying passengers rather than those on low cost or other discounted fares.

Mr Alfons Bernhardtsgrutter, vice-president for corporate planning, said Swissair would keep its total fleet unchanged at 50 aircraft up to 1987. But deliveries of about three Airbus A-310s out of a total order of 10 airliners have been rescheduled to delay arrival by about a year until 1987.

Under a SwFr 2.5bn investment programme for the first half of this decade, 15 Douglas DC-9-80s have already been received, two Douglas DC-10 extended range aircraft will have been delivered by the end of this month and five Boeing 747s with extended upper decks are on firm order.

The new aircraft will replace old airliners and the fleet's composition will be changed. All existing DC-8s are being phased out and a fleet of 747s is being increased from two to five.

Snia Fibre operating surplus

BY JAMES BUXTON IN ROME

SNIA FIBRE, the chemical fibres subsidiary of the Snia Viscosa group, made gross operating profits of L37bn ($28m) on turnover of L440.8bn last year, its first year of operation.

The result is significant because it suggests that Snia Viscosa's policy of hiving off its fibres operations into a separate company is proving successful. The poor performance of its fibres operations have been largely responsible for the fact that Snia Viscosa has not made a profit since 1974. Last year it broke even.

Snia Fibre still incurred a net loss of L3.2bn in 1981 after depreciation of L12.1bn, research costs of L6.3bn and interest charges of L27.9bn. Sales rose by 22.8 per cent.

But the company says that the outcome is considerably better than had been expected. A turnround at the gross operating level had been expected to take two years. Sales in the first two months of 1982 show a rise of 3 per cent on the equivalent period of 1981.

The activities now forming part of Snia Fibre made up about 45 per cent of Snia Viscosa's turnover in 1980. Snia Viscosa is now largely a financial group.

Another fibres concern which performed badly in the 1970s, Montefibre, broke even last year, having incurred losses from 1975 onwards. Montefibre is controlled by the Montedison chemical company, which also has a 29 per cent stake in Snia Viscosa.

Ahlsell in bid talks with Dutch wholesaler

By William Dullforce, Nordic Editor, in Stockholm

AHLSELL, the Swedish wholesale group, confirmed yesterday that it has opened negotiations to buy Vlaminckx Buttinger, a wholesaler of plumbing, heating and electrical products in the Netherlands.

Buttinger's share price has been fluctuating between Fl 10 and Fl 15 a share. Mr Carl-Erik Hedlund, Ahlsell's managing director, said his company was talking about a price under Fl 22 a share, which would imply that it could buy the Dutch company for Fl 4m ($1.5m) or less.

The Swedish concern is one of the biggest wholesalers in the Nordic area with an annual turnover of around SKr 2.4bn ($415m). It specialises in plumbing, heating and other construction materials and has more than SKr 800m in cash and liquid assets available from the sale of its steel stockholding operation.

Ahlsell itself was recently the object of a takeover bid from Polar, the holding company owned by the Abba pop singing group and its manager. This bid was successfully resisted.

Buttinger, which is said to have annual sales of around Fl 210m, is understood to have been running at less. Mr Hedlund said it had a long-term profit potential of between SKr 25m and SKr 30m and could be a springboard for Ahlsell's expansion on the Continent.

ASEA emphasises need to boost foreign sales

BY OUR NORDIC EDITOR IN STOCKHOLM

ASEA, the Swedish heavy electrical engineering group, must increase foreign sales from 52 to 75 per cent of total turnover in the next five years, Mr Percy Barnevik, the managing director, tells shareholders in the annual report for 1981.

This acceleration in the pace of ASEA's foreign expansion is necessitated by stagnating domestic demand and reduced investment in Swedish heavy industry and power plants. Last year ASEA's sales in Sweden advanced by 13 per cent while sales abroad climbed by 54 per cent.

The group has to boost sales in order to utilise production capacity better and spread its rising research and development costs over a larger volume of business, Mr Barnevik writes.

Part of the desired increase in foreign sales has already been achieved by the incorporation of Svenska Fläkt, the industrial ventilation company, in ASEA from the last quarter of 1980. Fläkt is strongly export orientated and has substantially contributed to the group's foreign sales.

With Fläkt consolidated from the last quarter, ASEA reported a 1981 pre-tax profit of SKr 855m ($148m) on a SKr 19.4bn turnover. The board has recommended a SKr 1 increase in the dividend to SKr 8 a share.

Mr Barnevik is not satisfied with last year's earnings growth of SKr 473m—or SKr 261m if Fläkt is excluded. The return on capital employed in the original ASEA group rose from 10.4 to 14.4 per cent.

Robeco lifts profits and payment

By Our Financial Staff

ROBECO, the Dutch mutual fund for shares, reports a 4 per cent increase in net profits for 1981, to Fl 253m ($97m) from Fl 243m in 1980. The dividend is being raised to Fl 12.60 per common share from Fl 11.

Robeco said its net asset value per share rose by 5 per cent to Fl 225 from Fl 214, during the year. Adjusted for an Fl 11 cash dividend, the net asset value per share appreciated by 10.3 per cent.

Total income rose to Fl 264m from Fl 253m in 1980. Robeco said this was largely the result of the strength of the dollar and the yen. Among the world's stock exchanges only a few — such as Tokyo and London — showed net gains over the year, Robeco said.

Recovery by Great Northern Telegraph

By Hilary Barnes in Copenhagen

A STRONG recovery in profits is reported for 1981 by Great Northern Telegraph, the Danish telecommunications and electronics group.

Net profits have risen from DKr 23.9m to DKr 45.1m ($8m), largely as a result of improved competitiveness, notably in export markets.

The board proposes an unchanged 12 per cent dividend and plans a one-for-two rights issue.

Group sales increased from DKr 1.58bn to DKr 1.78bn.

Dividend up at Iggesund despite loss

By Our Nordic Editor in Stockholm

IGGESUND, the Swedish pulp, board and chemicals group, proposes to raise its dividend by SKr 1 to SKr 9 a share despite a collapse from a pre-tax profit of SKr 101.7m in 1980 to a loss of SKr 40.1m ($6.9m) last year.

The Board has reiterated its conviction, first expressed in June when Iggesund was the object of a hostile takeover bid from Stora Kopparberg and Billerud, that the company can develop profits to a level which would ensure its continued growth.

After seven months of last year Iggesund reported a pre-tax loss of SKr 52m, so the last five months have seen a return to profit.

Group sales grew by 6.6 per cent last year to SKr 2.24bn ($389m).

Unfavourable exchange rates up to the time of the devaluation of the krona in September hurt Iggesund's earnings and labour costs were badly affected by a switch to non-stop operation at its mills, according to Iggesund. The rebuilding of a pulp mill also entailed heavy costs. Capital spending last year amounted to SKr 210m.

The SKr 180m trading profit shown includes SKr 54m in stock appreciation. The pre-tax loss was struck after depreciation of SKr 121m and net financial charges of SKr 93m.

An unexplained extraordinary income of SKr 27m together with SKr 61m appropriated to profits resulted in a net profit after tax of SKr 41.6m. The increased payout to shareholders will take SKr 30.9m.

Sterling weakness helps UBAF Bank to 49% gain

BY WILLIAM HALL, BANKING CORRESPONDENT

UBAF BANK, the London consortium bank largely owned by Arab shareholders, increased its pre-tax profits by 49 per cent to £7.5m ($13.54m) in 1981.

The group's balance sheet grew by 25 per cent to £687m and medium term lending (loans with a maturity of more than a year) rose by 66 per cent to £288.2m. The bank's share capital was increased by £5m to £21m last June and it will be increased by another £5m this June. The bank also plans to arrange another £5m of subordinated loans by the year end.

The bank says that its profits were enhanced by the weakness in sterling over the year but there has, nevertheless, been a steady growth in business. The three main areas of activity—foreign exchange and deposit dealing, term lending and commercial banking—all contributed to the increased profits.

UBAF Bank is the London arm of the UBAF group, which has resources of nearly $10bn. During the last year the shareholders in UBAF changed with the Arab interests taking complete control of Ubic Nederland, which owns 50 per cent of UBAF Bank. Midland Bank owns 25 per cent and the Libyan Arab Foreign Bank, 25 per cent.

The group is paying £1.7m in dividends, against £1.36m. At the end of the year it had shareholders funds of £28.3m and subordinated debt of £11.1m.

MOVE ON FOREIGN BANK CEILINGS

Yen swap limit set to rise

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE authorities are expected to raise the limit on the amount of foreign currency the branches of overseas banks in Japan may swap into yen.

Under the present limits the 71 foreign banks are allowed to swap foreign currencies up to a ceiling of between $5bn and $6bn. The exact amount has never been published and individual banks are privately informed of their ceilings by the Ministry of Finance.

Swapped foreign currencies form one of the most important funding sources for the yen lending, which is the foreign banks' main business in Japan. Depending on exchange rate and interest rate movements swapping dollars into yen may sometimes be cheaper than raising funds locally.

The Ministry of Finance and the Bank of Japan have been considering an increase in the limit for some time. The authorities are now "moving in that direction" an official said, although he declined to confirm speculation that a 20 to 30 per cent rise might be permitted.

The swap limit was once the most important source of funds for foreign banks, but importance has diminished somewhat as access to local funding has improved.

It can, however, occasionally give the foreign banks a slight advantage over Japanese banks, which have a small swap limit.

Apart from making life slightly easier for the foreign banks an increase in swap limits should, at least in theory, help to strengthen the yen. The yen's recent weakness is at least partly attributable to the negative balance Japan has been incurring on its external capital accounts. An inflow of funds caused by higher swap limits might help to reduce this.

Dyno Industrier profit halved

BY FAY GJESTER IN OSLO

PRE-TAX profits of Dyno Industrier, the Norwegian chemicals, plastics and explosives group, almost halved to NKr 30.3m ($5m) for 1981 from NKr 60.2m in 1980—despite a 10 per cent rise in gross operating income to nearly NKr 2bn. The dividend is being held at 12 per cent.

A loss by Saga Petrokjemi, in which Dyno had a 14.7 per cent stake until recently, contributed to a net debit on financial items. Dyno's own plastics activities also showed a loss, reflecting the winding up of operations in West Germany and Sweden. The chemicals and explosives divisions produced higher results.

Dyno and two other companies which were partners in Saga Petrokjemi withdrew from the company earlier this year, transferring their shareholdings without compensation to Saga Petroleum. However, Dyno is still anxious to secure a foothold in the offshore oil and gas industry.

Together with Borregaard, Hafslund and Norgas it has applied to the Government for stakes in three blocks adjoining established gas finds.

Japanese drug groups maintain growth despite drop in prices

BY YOKO SHIBATA IN TOKYO

THREE MAJOR Japanese pharmaceutical companies are maintaining their sales and profits growth trends despite the record cut in prices of ethical drugs on the country's health insurance prescription list.

Prices were cut by an average of 18.6 per cent last June to help reduce the Government's huge welfare expenditures and further cuts are feared.

The companies—Yamanouchi Pharmaceutical, Green Cross and Chugai Pharmaceutical—have reported higher sales and profits for last year, indicating that they are offsetting the lower prices with expanded sales of newly developed and highly profitable drugs.

One of the promising areas is the third generation of cephalosporin antibiotics. A number of Japanese drug companies have licensed production in the U.S. where the hospital antibiotic market is worth about $600m a year and growing at an annual rate of 15 per cent.

There is some market resistance from doctors, however, because of the high cost of the drugs compared with earlier generations of antibiotics. Some also worry that the new drugs will cause new strains of immune bacteria to evolve.

A second promising area is interferon, which is thought to have some anti-cancer properties. Several Japanese companies are expected to finish clinical tests within a year or so and apply to the Welfare Ministry for permission to begin manufacturing by mid-decade.

Ethical drugs represent 90 per cent of Yamanouchi's sales so the cuts pulled down its average drug price by 13 per cent. But five new drugs, including Perdipine (a blood vessel dilator to improve circulation) and Dantrolene (to control muscle spasms), sold well.

Yamanouchi's exports included microlide antibiotics (Josamycin) to eight European countries. It has also a contract to supply third generation cephalosporin antibotics to ICI of the UK and has set up a sales joint venture with Revlon of the U.S.

The cost-of-sales and research and development expenditures rose faster than sales but with the help of a tripling of financial income to Y1.6bn ($6.5m) it was able to report a 16 per cent increase in operating profits to Y15.7bn for the 12 months to December.

This was the fifth year of double digit growth.

Yamanouchi is taking a conservative view of the current year because of the possibility of further price cuts on ethical drugs and higher sales costs and increased competition. Operating profits may grow by only 3 per cent to Y15.5bn on sales ahead by 12 per cent to Y95bn.

Green Cross was hard hit by a 30.5 per cent price cut on its main product, Urokinase, a blood anti-coagulant enzyme. This loss of revenue was partly offset by sales of a new drug, Venoglobulin.

The company was also burdened by an increase to Y4bn from Y2.8bn a year earlier in research and development expenditure on artificial blood and interferon.

Despite these negative factors, Green Cross managed a 12.4 per cent increase in operating profits to Y12.26bn, partly because greater economies of scale were won on the production of new drugs as their sales increased.

In the current year Green Cross expects R and D expenses to rise to Y5bn because of clinical tests on interferon and artificial blood.

It expects a 12.5 per cent growth in operating profits to Y13.8bn on sales ahead by 19 per cent to Y85bn, reflecting a larger contribution from new drugs.

Chugai Pharmaceutical was less affected than the other two companies by the price cuts on ethical drugs and its average prescription drug sales price fell by only 11.8 per cent.

But R and D expenses increased by 18 per cent to 10.1 per cent of turnover. This and other factors held the rise in operating profits to 4.6 per cent to Y10.5bn.

Chugai is expecting cephalosporins to help lift sales by 14 per cent this year to Y88bn, but higher start-up costs for new drugs will limit growth in operating profits to 5 per cent to Y11bn.

1981 PERFORMANCE (YBM)

	Sales	% rise	Operating profits	% rise	Net profits	% rise
Yamanouchi Pharmaceutical	85.4	11.5	15.1	16	5.7	2.1
Green Cross	71.2	18.7	12.3	12.4	4.9	7.6
Chugai Pharmaceutical	77.1	8	10.5	4.6	4.2	0.8

Marconi develops business satellite

AS part of the ESA L-SAT programme, MARCONI SPACE AND DEFENCE SYSTEMS is developing a satellite business communications package which, for the first time in Europe, will provide multiple beams and inter-beam switching on board the satellite.

This latest order is under the terms of a contract worth ultimately nearly £20m.

The business communications payload will provide the office of the future with what it needs in communications as part of an integrated electronic office system. It is specially orientated towards the communications requirements of the business community in Europe.

The payload will provide two-way communications from 1986 onwards between small terminals located within business premises over an area stretching from UK to Austria and from Scandinavia to Southern Spain and Italy.

*

AUGHTON AUTOMATION PROJECTS, Kirkby, has been awarded a £200,000 contract by the Enemalta Corporation of Marsa, Malta, to supply two turbine control systems for Marsa "B" power station. The systems will control the operation of two new 30 MW steam turbines being installed as part of a major expansion of Marsa "B."

*

Hong Kong Government has placed an order for three Mk II Water-Witch pollution control craft, at a cost of £186,000. This is the largest single order placed with the builder. They will join three other Water Witch craft, one which has been in operation since 1979. The vessels are built by LIVERPOOL WATER WITCH MARINE AND ENGINEERING.

*

BICC power cables and accessories to the value of £170,000 have been installed in the new manufacturing facility built for Cleveland Bridge and Engineering Co. on a greenfield site near the former works in Darlington.

*

GEC LARGE MACHINES, Rugby, has received orders worth over £400,000 for the supply of a further 14 Unirig d.c. motors to drive mud pumps, drawworks and rotary tables on oil platforms.

*

The Kenning Motor Group is to computerise its car and van hire operations, and has placed an order with INTERNATIONAL COMPUTERS for the supply of microcomputers for its 60 main depots. Value of the order, including operating software, is over £800,000.

*

A contract worth £443,000 has been won by WESTLAND industrial division to supply major components for two flight simulators for training Lynx helicopter pilots of the French navy. The contract was awarded by Thomson CSF, the French simulator manufacturers. Westland will provide a large proportion of the cockpit structure, controls, instrumentation and furnishings. A data package is also being supplied to Thomson CSF, to programme all aspects of the Lynx flight and operational characteristics into the simulator's computers.

*

JOHN SMITH (KEIGHLEY), West Yorkshire, has won a £350,000 contract to build an electric overhead travelling crane for Elkem Spigerverket of Norway. The crane will lift ladles of 95 tonnes, in the casting bay, on a single hook with a 1.2 metres hook approach.

*

The power systems division of CHLORIDE STANDBY SYSTEMS has won contracts worth £320,000 for battery-based emergency power systems for control, communications and safety equipment on Mobil's Beryl "B" North Sea platform. The power systems will provide normal and emergency power for fire and gas detection systems, and telecommunications and instrumentation equipment. A mixture of DC and static inverter AC systems is involved in the contracts, which were placed with Chloride Standby independently by Bechtel (main contractor for the platform) Ferranti (telecommunications systems), and Wormald International (fire and gas protection systems).

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	16.3.82	9.3.82	AVERAGE YIELD	15.3.82	9.3.82
DM Bonds	93.02	92.58	DM Bonds	9.627	9.709
HFL Bonds & Notes	97.60	96.71	HFL Bonds & Notes	10.423	10.611
U.S. $ Strt. Bonds	87.62	87.48	U.S. $ Strt. Bonds	14.207	14.262
Can. Dollar Bonds	90.11	89.91	Can. Dollar Bonds	15.162	15.198

WORLD STOCK MARKETS

Easier early Wall St bias

STOCKS ON Wall Street showed a slight bias to lower levels at mid-session yesterday after another fair trade, with Oils featuring weakly.

The Dow Jones industrial Average was a marginal 0.86 easier at 797.47 at 1 pm. The NYSE All Common Index lost 10 cents at $62.74, while declines led gains by a six-to-five margin. Trading volume amounted to 35.75m shares, compared with 34.87m at 1 pm on Tuesday.

Analysts said much of the trading is focused on issues in special situations or is a symptom of window dressing, whereby institutions adjust their investment portfolios before the end of the quarter in order to improve their position in certain groups.

Window dressing was affecting the Oil stocks, which were once favoured by Wall Street but have recently lost their attraction as crude oil prices and demand continue to fall. Ashland Oil yesterday cut the price it will pay for crude oil by $2 a barrel, further highlighting the price erosion.

Standard Oil Ohio declined 1⅜ to $32⅞, Phillips 1½ to $28¼, Unit Drilling ⅞ to $9½, Getty ⅞ to $45⅝ and Texas Oil and Gas ⅞ to $24.

Sears, $17⅛, was the volume leader after a block of 2,377,600 shares were traded at $17⅛, off ⅛.

Morton Norwich climbed 1⅞ to $38½ after announcing that it will sell its pharmaceutical division to Procter and Gamble for $371m. Procter was off ⅜ at $78⅝.

THE AMERICAN SE Market Value Index improved 1.10 to 246.62 at 1 pm. Volume 2.36m shares (2.97m).

Canada

The Oils and Golds sectors tended to rally, but markets showed an easier inclination overall yesterday morning. The Toronto Composite Index hardened 2.7 to 1,545.1 at noon, while Oil and Gas put on 22.2 to 2,387.5 and Golds 7.2 to 2,022.8, but Metals and Minerals shed 4.0 to 1,423.1.

Closing Prices for North America were not available for this edition.

Tokyo

The market went into a further steep slide across a wide front initially yesterday. However, during the afternoon, bargain hunting by institutional investors emerged for Blue Chips and other internationally popular issues, allowing the key market indices to recoup much of their early fall. But the overall market was still broadly lower on balance.

The Nikkei-Dow Jones Average, after plummeting 161.69 on Tuesday, dropped around 200 points more before rebounding to end 27.46 lower on the day at 6,889.53, a 19-month closing low.

The Tokyo SE index was a net 2.37 weaker at 520.70, while falls still outscored gains on the First Market by 496 to 168 at the close. Trading was active, volume increasing to 440m shares from Tuesday's 300m.

A fresh fall of the yen against the U.S. dollar helped to send the stock market lower in the morning. Stocks encountered heavy stop-loss selling and selling by speculative investors in margin trading.

The continued weakness of both the foreign exchange and stock markets reflect growing uncertainty over prospects for both trade and the economy. The attitudes of Japan's Western trade partners have hardened considerably in recent weeks. Also, it is now clear that the economy, having suffered negative growth in the fourth-quarter last year, is not recovering smoothly.

However, the bargain hunting left a number of leading issues higher on the day.

Hitachi, which had slumped Y50 at one time during the day, rallied to close Y10 up on balance at Y560.

Matsushita Electric was up Y5 at Y983, after falling Y47 initially, Sony added Y10 at Y2,990, after an earlier Y150 loss, and Fuji Photo picked up Y50 to Y1,240, after being down Y70.

Germany

Lower interest rates on West German money markets yesterday boosted some stocks and most Bond prices in moderate trading. There was also speculation of an interest rate cut being decided at today's Bundesbank Council meeting. The Commerzbank index firmed 3.8 to 710.2.

Banks were broadly higher again, with Commerzbank adding DM 2.10, Deutsche Bank DM 1.50 and Dresdner Bank DM 1.20.

Prices for mark-denominated Eurobonds were up on a broad front after active foreign purchasing interest. Traders noted that an expected reduction in Deutsche Bundesbank's special Lombard facility today led to speculation that yields would come down sharply.

Domestic Bond prices were up as much as 85 pfennigs. The Bundesbank sold DM 102.3m of public sector Bonds to balance the market, up from sales totalling DM 44.7m on Tuesday.

Paris

Bourse prices showed no clear trend after quiet trading.

Market analysts said the weakness of the French franc, accompanied by a sharp rise in domestic interest rates, had made participants hesitant. The afternoon downturn on Wall Street on Tuesday also dampened sentiment. The French Call Money Rate yesterday rose half a point more to 15 per cent.

Australia

Markets were mixed with a slightly firmer bias yesterday after quiet trading. However, there were no signs of follow-through demand by institutions which were bargain hunting late on Tuesday, causing selected stocks to rally.

The All Ordinaries index, after recovering 6.1 the previous day, was just 1.1 harder at 465.9. Oil and Gas managed to close 4.1 higher at 405.4 after Tuesday's rally of 15.2.

Oils turned easier initially after the previous day's rally, but mainly improved later to end narrowly ahead on the day.

CSR put on 2 cents to A$3.00, after regaining 15 cents on Tuesday. Its wholly-owned subsidiary, Delhi Oil, has reported that its Strzelecki No 7 well in South Australia is being completed as an oil producer.

Overall market leader BHP, however, receded 4 cents to A$7.46 following Tuesday's recovery of 22 cents.

Gold Mining issues were steady to firm despite the overnight sharp retreat in the Bullion price in New York. Peko-Wallsend put on 5 cents to A$4.80 and Central Norseman 10 cents to A$3.10.

The Mining sector overall was narrowly mixed. Western Mining shed 5 cents to A$3.40 and Pan-continental 10 cents to A$1.65.

Industrials were firmer-inclined despite the threat that power shortages would force industry on to a four-day week from next Monday unless power workers can be persuaded to drop their work bans.

Hong Kong

Trading was very thin in yesterday's half-day session, although the market picked up from an easier start to close slightly ahead on the day.

Wall Street's failure overnight to maintain an early mild rally, combined with signals for higher U.S. interest rates, triggered some selling after the opening of the Hong Kong market, but shares started to recover when offers dried up. Most traders stayed on the sidelines due to uncertainty over the future development of the market.

The Hang Seng index, up 23 points the previous day on bargain hunting, slipped 4.70 before improving to 1,191.76, a further 6.63 higher on the day. Turnover in the short Wednesday session came to only HK$88.55m, against Tuesday's full trading day total of HK$143.13m.

NEW YORK

CANADA

Indices

NEW YORK ACTIVE STOCKS

Japan fights whaling ban threat

By Our Commodities Staff

THE Japanese Government is to launch publicity campaigns in non-whaling countries which are members of the International Whaling Commission in an effort to sway public opinion ahead of an IWC meeting which may vote to extend the ban on sperm whale hunting to include the waters around the Japanese coast.

Mr Zenko Suzuki, the Prime Minister, said yesterday the campaign would aim to "obtain an understanding of Japan's position so that they (the non-whaling nations) will favour the Japanese position at the meeting."

At its annual meeting last summer the 32-member IWC imposed a moratorium on sperm whale hunting in the Northern Atlantic and the Southern hemisphere. No decision was made on the north-west Pacific but a call for a ban in this area is likely to command the required three-quarters majority at a special meeting of the commission in Brighton on March 24-25. This would effectively destroy the Japanese whaling industry.

U.S. boost for copper

BY JOHN EDWARDS, COMMODITIES EDITOR

U.S. COPPER producers were quick to react yesterday to the announcement by Kennecott that it was cutting production and setting a minimum price at which it was prepared to sell at 76 cents a lb, as well as switching back to a producer price system from July 1.

Phelps Dodge and Duval Mining immediately announced rises in their domestic copper prices from 74 to 76 cents a lb. There was limited reaction on the London Metal Exchange where higher-grade cash copper closed £2.5 up at £837.75 a tonne. Traders pointed out that the Kennecott announcement had been largely discounted previously and that prices were subject to selling pressure from the fall in gold.

There was some scepticism of Kennecott's bid to establish a minimum price level of 76 cents. It was noted that this is subject to change and would be difficult to sustain if demand continued to remain at a low level, since competitors would be quick to fill any gap.

Under the company's new pricing schedule, Kennecott plans to adjust premiums charged over the Comex (New York market) settlement quotations on a daily basis to realise a minimum price of 76 cents. Of more significance, however, is Kennecott's decision to switch away from a Comex-based pricing system to a list price basis from July 1.

It was Kennecott's decision in 1978 to scrap the producer price system, in favour of basing prices on the free market Comex quotations that led to the present fluctuations in U.S. copper producer prices in order to remain competitive with imports.

As expected Kennecott also announced considerable production cuts at its Arizona and New Mexico plants.

A rise in U.S. housing starts during February provided some encouragement yesterday, but this was offset to a large extent by the increase in interest rates and the fall in gold.

Tin prices moved erratically on the London Metal Exchange. Heavy "lending" (selling cash and buying an equivalent amount forward) pushed cash tin down by £30 to £7,185 a tonne, while the three months quotation was £15 up at £7,387.

Coffee futures tumble

By Our Commodities Staff

THE DECLINE in coffee prices accelerated yesterday with the May position on the London futures market ending £50 down at £1,228.50 a tonne. The price has now fallen £135 in six trading days.

Dealers said the sharpness of yesterday's fall was thought to reflect computer orientated U.S. selling. This had triggered many stop-loss orders, they added. It was suggested the market may have become overbought in the upsurge which recently took it to 19-month highs. But some traders thought the downward reaction had also been overdone.

Ivory Coast Agriculture Minister, Mr Denis Bra Kanon, yesterday called on African coffee producers to work out a concerted strategy before negotiation of 1982-83 export quotas, under the International Coffee Agreement (ICO), reports Reuter.

Speaking at the opening of an extraordinary meeting of the 22-nation Inter-African Coffee Organisation (IACO) in Abidjan, he said: "It is vital to prepare carefully in order to avoid the many manoeuvres and intrigues of past years which are costing our countries dearly."

The Iaco meeting, which is expected to last three days, is in preparation for the ICO's executive board meeting next week and the June ICO council, both in London.

Caribbean bauxite blues

BY CANUTE JAMES IN KINGSTON

THE MAIN bauxite-producing countries in the Caribbean region suffered heavily last year because of the slump in the international aluminium market and the subsequent fall in demand for ore and alumina.

The reductions in mining and refining have shot holes into their fragile economies as, in most cases, the mining sector has been their major foreign currency earner.

There is little to lighten the gloom in the immediate future as the aluminium industry is now talking of the market bottoming this year — possibly as late as the last quarter— with an upturn now predicted for the second quarter of 1983.

This is disheartening to the producers. It raises possibilities of further cutbacks in mining and refining this year, and also means that the mining and refining end of the industry may not improve until about three to six months after the aluminium market upturn, as the metals companies will first be disposing of their stocks before fully reopening their smelting potlines.

In the region, the effects of the market slump have been particularly painful in Guyana, where official figures have shown that production for 1981 was 30 per cent below target. This cost the fragile Guyanese economy $50m—10 per cent of the country's annual foreign earnings.

The performance of the state-owned industry, formerly owned by Alcan and Reynolds, and nationalised between 1971 and 1974, has been described by an official publication as being ". . . miserable in terms of production" in 1981.

The production of calcined bauxite was expected to be 735,000 tonnes, but at year end only 514,000 tonnes was mined. Metal grade bauxite, expected at the start of 1981 to reach a level of 920,000 tonnes, was 280,000 below this.

There was a similar shortfall in alumina production, with 170,000 tonnes being produced against a target of 240,000 tonnes, and a 15 per cent shortfall in the production of chemical grade bauxite, with production last year at 335,000 tonnes.

The performance of the industry was equally dismal in neighbouring Suriname which, with average annual production of about 5m tonnes of bauxite, has been the world's fourth largest producer after Australia, Guinea and Jamaica.

The industry accounts for 75 per cent of the country's total exports and 30 per cent of its gross domestic product.

Consequently, the economy was adversely affected last year by a 20 per cent cut in operations by the two companies in the country—Billiton, owned by Royal Dutch Shell, and Suralco, owned by the Aluminium Company of America (Alcoa).

In Jamaica, the industry fared slightly better than in Guyana and Suriname, mainly as a result of the deliberate efforts of companies such as Alcoa to delay the implementation of cuts until production had been reduced in other countries.

Most of the reductions by the five companies operating here —Alcan, Alcoa, Kaiser, Reynolds and Anaconda — were implemented late in the year, and bauxite production last year was 11.6m tonnes, a fall of 3 per cent on the previous year.

As in the other big regional producers, however, the prospects for immediate improvement appear dim.

This would have been worse were it not for the sale this year of 1.6m tonnes of ore to the U.S. for the strategic mineral stockpile.

Production in Guyana has been falling for the past 10 years, well before the present weak demand. There is little to suggest that there will be quick improvement to the levels of the early 1970s, even when demand improves.

In Surinam, Billiton is reported to be considering a further reduction of 30 per cent in mining, because of the cancellation of a contract for ore by a U.S. buyer.

Haiti's bauxite industry is being wound up altogether by the end of this year. Reynolds Haitian Mines, a subsidiary of Reynolds Metals of the U.S., says exploitable reserves have run out.

The industry in Haiti is comparatively small, but economically valuable in a country which is among the poorest in the world, and which needs every foreign dollar it can get.

The mining installations have a nominal capacity of 790,000 tonnes per year, but this level has never been reached. Until the late 1970s output was between 600,000 tonnes and 500,000 tonnes per year, and earnings to Haiti averaged $11m.

ALCOA's 94 per cent owned Jamaican unit Jamalco said it will restart its alumina refinery today with fewer staff and reduced output.

Jamalco, 6 per cent owned by Jamaica, shut down its 550,000 tonnes a year plant on January 7 after a strike by hourly paid employees.

Before the strike Jamalco was producing 1,200 tonnes a day against 1,500 tonnes a day capacity, but the company said resumed production will be only 800 tonnes a day.

Higher farm price rise urged

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Parliament's agriculture committee is to recommend that EEC farmers should receive guaranteed price rises this year of an average 14 per cent. This is more than 50 per cent above the rise proposed by the European Commission and could double the budgetary cost.

The recommendation is contained in a committee report which was adopted yesterday and will go before the full assembly later this month.

Neither the committee's report or the eventual decision by Parliament, which traditionally supports the committee, is legally binding on the member states, but a call for a hefty price increase can provide strong psychological ammunition for countries pressing for higher rises.

In the contentious dairy sector, which produces 20 per cent more than the EEC consumes and accounts for 30 per cent of the EEC's budget to support agricultural prices, the Committee calls for the abolition of the current 2.5 per cent tax on production.

The Committee has rejected a proposal in the draft report for production quotas above which punitive levies would be triggered. Also rejected is an EEC Commission's proposal, supported in the draft, for production quotas in the grain sector.

The draft proposal that agriculture spending should grow at a slower rate than the EEC's overall income, a principle supported by a majority of the member states and accepted by the Commission, has been struck from the report.

Mr David Curry, MEP, for Essex North East who, as rapporteur for the committee, presented the proposed resolution at a news conference yesterday, said that preliminary estimates suggested that a 14 per cent rise could add as much as £672m to EEC budget costs above the Commission's proposals.

He also said that an amendment calling for a full 16.3 per cent rise had been defeated by only three votes. This was because the vote was taken at 9.00 the previous evening, and several French Socialist supporters of the measure had not returned from dinner.

Malaysia seeks Dutch help on palm oil imports

By Wong Sulong in Kuala Lumpur

THE EEC and Asean countries should meet regularly and monitor the edible oil market in the event of Spain joining the Common Market, Dutch Minister of State for Economic Affairs, Mr Willem Dik said in Kuala Lumpur this week.

He said this after a meeting with Datuk Paul Leong, the Malaysian Primary Industries Minister, who had expressed fears that the entry of Spain into the Common Market could be a threat to palm oil from South East Asia since it would result in a surplus of 200,000 tonnes of olive oil in the EEC.

On Malaysia's request for Dutch help to get the EEC to lower its tariff on refined Malaysian palm oil (now carrying a 12 per cent duty), Mr Dik pointed out that the Netherlands had gently reminded Malaysia years ago about the danger of over-refining (which has occurred in Malaysia), and the problem of marketing such products.

EEC unlikely to join sugar pact

BY JOHN EDWARDS, COMMODITIES EDITOR

THERE IS little chance of the EEC joining the International Sugar Agreement, according to delegates at the International Sugar Organisation meeting this week.

Although the EEC has avoided making a definite statement that it will not join the pact, it outlined changes that would be required before membership would be considered. In particular the imbalance between basic export quotas allocated and actual world demand.

The EEC refused to give any assurances about what would happen to the extra stocks created as a result of its move to hold back supplies from export on the grounds that it would not make any commitment at this stage.

It did, however, point out that its demand for inclusion of non-sugar sweeteners (notably isoglucose) in a future pact did not necessarily involve the need for export quotas. The idea, apparently, was simply to point out that isoglucose (high fructose maize syrups) are nowadays increasingly important in the sweetener market and considerably affect demand for sugar in some industrialised countries.

The London daily price for raw sugar was cut yesterday by £3 down to the three-year low of £145 a tonne earlier this week. But futures values closed higher following buying interest on the belief that the market was oversold.

The EEC weekly selling tender for sugar exports was postponed until today because of the St. Patrick's Day holiday in Ireland.

Rally on cocoa market

By Our Commodities Staff

SIGNS OF renewed consumer demand boosted cocoa prices on the London futures market yesterday afternoon, but they still finished down on the day. Tuesday's sharp decline was continued in early dealings and the May position slipped to £1,072 a tonne at one stage. But by the close it was quoted at £1,090.50 a tonne, down £18.

Dealers said the late recovery had been encouraged by traders covering short positions.

The continuing International Cocoa Organisation (ICCO) council meeting in London had little effect on market sentiment as many traders are convinced there will be no positive outcome.

Soviet buying fails to boost U.S. grains

BY NANCY DUNNE IN WASHINGTON

IN SPITE of the recent Soviet run on U.S. maize—another 300,000m tonnes purchased this week brought the total to 13.2m tonnes of grain since October—prices here have continued to decline.

Generally, the outlook is bleak for U.S. grain farmers. The Department of Agriculture (USDA) has predicted a year-end average of $3.71 for a bushel of wheat, 20 cents below last year's already depressed average.

Any recovery will be largely dependent on farmer participation in the USDA's acreage reduction programme, according to Miss Margie Williams of the National Association of Wheat Growers. The USDA is predicting a 40 per cent participation in the wheat programme and 35 per cent participation in feed grains. While such participation will not greatly reduce supplies, only those who do take acreage out of production can participate in Government storage loan programme.

A glimmer of hope was provided by Mr John Schnittker, former Assistant Secretary of Agriculture and now head of a Washington consulting firm. He said that world grain consumption is expected to increase by nearly 20m tonnes to 1.598bn while production is expected to reach a record 1.63bn tonnes. The difference between the two, a mere 32m tonnes, could dissipate with poor crop production by any of the major exporters. U.S. stockpiled grain could then be released but only after significant price rises.

BRITISH COMMODITY MARKETS

BASE METALS

GAS OIL FUTURES

SILVER

COCOA

COFFEE

WOOL FUTURES

GRAINS

RUBBER

COTTON

POTATOES

SOYABEAN MEAL

SUGAR

MEAT/VEGETABLES

PRICE CHANGES

In tonnes unless otherwise stated.

AMERICAN MARKETS

Tuesday's closing prices

EUROPEAN MARKETS

INDICES

FINANCIAL TIMES

Mar. 16	Mar. 15	Month ago	Year ago
244.45	245.28	248.70	257.73

(Base: July 1, 1952=100)

MOODY'S

Mar. 16	Mar. 15	Month ago	Year ago
990.1	986.7	1005.8	1129.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 16	Mar. 15	Month ago	Year ago
Spot	122.22	122.18	128.88	
Fut's	127.18	128.43	133.38	

(Average 1924-25-26=100)

REUTERS

Mar. 17	Mar. 16	M'nth ago	Year ago
1585.2	1586.6	1622.5	1708.8

(Base: September 18, 1931=100)

LEGAL NOTICES

FIRST CHICAGO ASSET MANAGEMENT CORPORATION

PREVENTION OF FRAUD (INVESTMENTS) ACT 1958

Financial Times Thursday March 18 1982

Markets unsettled by upturn in international interest rates and equities turn flat on Turner and Newall

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 1	Mar 11	Mar 12	Mar 22
Mar 15	Mar 25	Mar 26	Apr 5
Mar 29	Apr 15	Apr 16	Apr 26

* " New time " dealings may take place from 9.30 am two business days earlier.

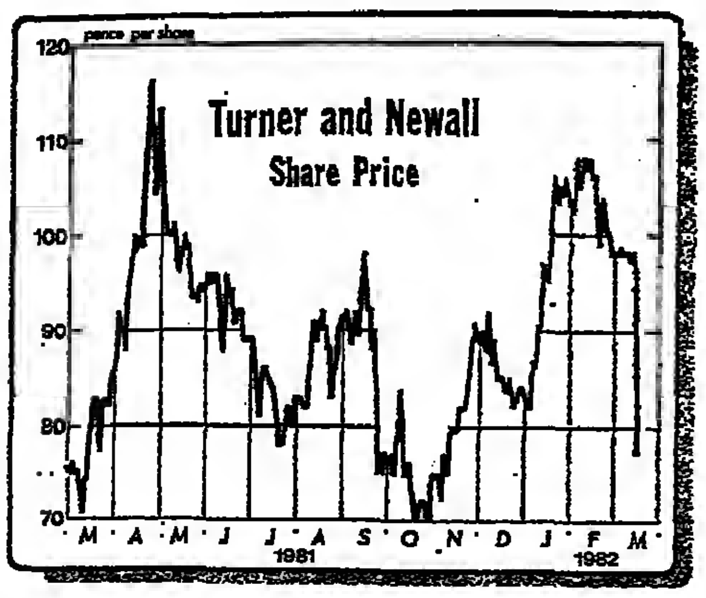
Leading shares turned distinctly dull yesterday and British Funds lost further ground as sentiment on London stock markets became increasingly disturbed by the upward pressures on short-term international interest rates.

The announcement by Turner and Newall of poor preliminary figures and the passing of the final dividend soon after the start of dealings gave a further jolt to sentiment in the equity sectors.

As a result, a fairly modest initial reaction in leading equities gathered impetus in the wake of marked weakness in Turner and Newall which ended the day with a fall of 17 at 77p. Selling of the leaders was relatively light, but offerings found the market unwilling.

A small technical rally in the afternoon left some quotations in touch above the worst and the FT 30-share index, which touched its lowest of the day at 2.00 pm with a loss of 13.1, ended 11 points down on balance at 551.4: the fall in Turner and Newall accounted for around 3 points of the reaction in the index. GKN, due to report annual results today, closed 4 cheaper at 160p. Building shares, boosted recently by the reduction in mortgage rates, turned easier. Elsewhere among the sectors, Banks, still reflecting possible taxation moves, came under fresh selling pressure.

Gilt-edged securities gave further ground as sentiment became preoccupied with the overnight upturn in U.S. interest rates. Index-linked stocks again led the retreat, quotations here closing with falls to 1½. An attempted rally in mediums and longs proved abortive and initial losses of around ⅜ were extended to ⅞. However, helped by yesterday's early improvement in U.S. bond markets and the hardening trend in sterling, quotations eventually rallied to close ⅛ above the worst. Short-dated issues settled with falls ranging to ⅜, and the Government Securities index eased 0.32 more to 68.01.



Lloyds Brokers dull

The general dull trend and currency considerations dragged Lloyds Brokers lower. C. E. Heath lost 17 to 305p and Stewart Wrightson retreated 12 to 203p, while Minet relinquished 6 to 162p. Hogg Robinson gave up 4 at 111p as did Stenhouse, 110p, and Willis Faber, 408p. Composites drifted lower on lack of support. Sun Alliance declined 14 to 880p and Eagle Star 6 to 368p. Against the trend, Britannic put on 6 to 290p in response to the preliminary results.

Comment on the company's recovery potential in the wake of the poor interim figures helped Guinness Peat to continue the previous day's rally of 10 with an improvement of 2 to 70p, after 73p. Still plagued by increased taxation fears, Barclays lost 5 more to 445p, after 442p, while Lloyds ended a similar amount to 435p, after 432p, but Midland, awaiting tomorrow's annual figures, edged forward a couple of pence to 328p. Discount Houses turned easier in sympathy with gilts. Gerrard and National dipped 5 to 270p and Gillett Bros. gave up 7 to 150p.

Breweries again lacked support. Grand Metropolitan were sold down to 196p before settling for a net fall of 5 at 198p. Scottish and Newcastle, 53p, and Allied-Lyons, 80p, eased 1½ apiece. The near-17 per cent jump in annual profits from *Boddingtons* failed to support the shares which finished 2 cheaper at 151p. Matthew Brown, 158p, and Wolverhampton and Dudley, 196p, both gave up 6.

Recently firm leading Buildings encountered early selling, but the subsequent appearance of cheap buyers left quotations a few pence above the worst. Blue Circle, helped by sharply increased profits from the group's Australian associate, closed 4 cheaper on balance at 468p, after 466p. Barratt Developments encountered further profit-taking in the wake of the interim results and shed 6 for a three-day fall of 17 to 256p, while George Wimpey gave up 4 to 106p. Fairclough Construction lost 6 to 148p and John Laing 3 to 78p.

Down to 320p at one stage, ICI rallied to close 4 cheaper on balance at 324p.

Gussies down

Leading Stores finished with widespread losses, although actual selling was light and a slight hardening in the tone was evident towards the close. Gussies "A" were particularly dull and dipped 13 to 495p, while British Home fell 6 to 150p, after 149p. Newsagents, a firm sector recently, encountered profit-taking and falls of 5 were noted in Martin, 325p, and John Menzies, 235p.

Among Shoes, Pittard continued to draw strength from the return to profits and added 2 for a two-day gain of 5 to 62p.

Occasional offerings and lack of fresh support left leading Electricals with falls ranging to 6. Plessey lost that much to 372p and BICC dipped 5 to 325p; the latter's results are scheduled for next Wednesday. Thorn EMI remained out of favour and eased 3 to 420p, while GEC closed similarly lower at 810p.

Hawker Siddeley lost 4 for a two-day decline of 14 at 302p with sentiment still unsettled by the poor results reported by the group's Canadian subsidiary on Monday. Sporadic nervous offerings in front of today's preliminary results prompted a fall of 4 to 160p in GKN. Tubes softened a couple of pence to 136p and *John Brown touched* 56p but rallied late to close unchanged on the day at 58p following the announcement that the group had received a £50m order to build a power station in Oman. Elsewhere in Engineerings, IMI fell 4 to 56p on further consideration of the results, while losses of 6 and 7 respectively were seen in Davy Corporation, 148p, and Mollins, 172p. Still attracting support ahead of next Tuesday's results, Fife Indmar firmed 5 more to 135p, while renewed speculative support lifted Braswav 6 further to 80p.

Leading Foods drifted lower on lack of interest, J. Sainsbury losing 10 to 560p and Associated Dairies 4 to 134p. Northern also shed 4, to 155p, while Cadbury Schweppes and Tate and Lyle gave up a couple of pence apiece to 95p and 198p respectively. After Tuesday's drop of 20 on the company's move to shake off S. and W. Berisford, its unwelcome 40 per cent shareholder, British Sugar reacted to 410p before settling 5 cheaper on balance at 415p. Albert Fisher, 44p, gave up 3 more of its recent speculative gain, but Somportex attracted renewed support and, in a thin market, put on 10 to 115p.

Ladbroke, at 162p, relinquished 4 of Tuesday's Press-inspired gain of 11.

Turner and Newall slumped 17 to 77p, after 76p, following the shock announcement of a passed final dividend and second-half profits well below expectations. The announcement and the hardening of international interest rates prompted dullness in other miscellaneous industrial leaders. Unilever fell 8 to 615p and Bowater 5 to 232p. Pilkington, in which a large line of shares is thought to be overhanging the market, closed 5 cheaper at 265p. Elsewhere, further adverse Press comment caused De La Rue to fall 20 further to 640p, while Thomas Tilling declined 5 to 151p, after 149p, on the disappointing annual profits. Preliminary profits which fell short of expectations also depressed Johnson Group Cleaners, which closed 12 down at 200p and prompted a sympathetic reaction of 4 to 274p in Initial Services. Reflecting the interim dividend omission and first-half deficit, Lawtex softened 2 to 42p, while Steetley gave up 3 to 176p awaiting today's preliminary figures. Down 23 the previous day on the surprise decision to refer ICI's bid to the Monopolies Commission, Arthur Holden rebounded 22 to 180p on reports, later confirmed, that ICI had been buying in the market, acquiring a further 10 per cent of Holden's shares at nearly 180p per share on hopes that its offer will receive official clearance. L. Ryan put on 1½ to 15½p following the results and J. Hewitt (Fenton) firmed 4 to 63p, also after trading news. E. J. Riley rose 5 to 123p.

A lacklustre session in Motor Distributors was highlighted by Lex Service, which jumped 6 to 115p in late trading following the preliminary results. Components, on the other hand, finished lower where changed with Lucas closing 6 off at 206p and Dowty 4 down at 120p.

Recent speculative favourite Pearson Longman turned easier on profit-taking and closed 7 down at 245p. Elsewhere in Publishers, William Collins firmed a couple of pence to 240p, after 243p, following the annual results, while Liverpool Daily Post and Echo, due to report today, added a like amount to 152p.

Inclined easier recently on diminishing hopes of an early cut in interest rates, Properties encountered fresh small selling at the outset, but occasional support at the lower levels limited falls in the leaders to a couple of pence. Elsewhere, Whittington Estates, a rising market recently on the board changes and discussions which may lead to a property acquisition, shed 2 to 28p.

Leading Oils steady

Leading Oils were quietly firm ahead of tomorrow's Opec meeting. British Petroleum, down to 276p in early dealings, rallied well to close unchanged on balance at 280p, while Shell finished 4 up at 352p, after 346p. Elsewhere, Lasmo, preliminary results due next Tuesday, shed 7 to 268p, but Ultramar hardened a few pence to 340p. NCC Energy, down 25 in the past two days on the delayed link-up with Simplicity Pattern, rallied 3 to 78p, after 70p. Moray Firth closed 5 down at 65p, after 63p.

Investment Trust mirrored the trend in equities. Japanese issues followed Tokyo values. GT Japan shed 11 to 290p, while Crescent Japan gave up 7 to 284p. Elsewhere, Continental and Industrial, 260p, Triplevest Capital, 367p, and Altifund Capital, 190p, all shed around 6. Money brokers also trended lower, notably R. P. Martin, 25 down at 335p. Mercantile House gave up 10 more to 425p, while Exco eased 4 to 208p.

In Textiles, Hugh Mackay rose 3 to 32p on the return to profits and the increased dividend. Marks and Spencer suppliers Corah added 1½ to 43p, the slight downturn in full-year earnings being offset by the company's confident view on current trading. Small and Tidmas fell 1 to 50p in a nominal market.

Bats fell 13 for a three-day loss of 25 at 400p on fears that the company could be involved in a battle to complete the acquisition of Chicago-based departmental store group Marshall Field; sentiment was also unsettled by Press-inspired rumours of a rights issue.

Golds easier

The $10 decline in the bullion price to $313 had only a small impact on mining markets which were generally little changed in idle trading.

South African Golds lost ground at the outset, being marked-down in line with the bullion price, but subsequently staged a modest rally to close fractionally lower on balance. The Gold Mines index eased only 1.9 to 219.6.

One or two weak spots developed in the heavyweights, notably Randfontein, ½ cheaper at £19½, and President Brand, ½ down at £13⅞, but losses in the remaining issues were generally confined to around ¼. Kloof moved against the trend and edged up ⅛ to £11⅛.

Anglo American Corporation closed barely changed at 457p; the company's Middelplaats manganese mine has been sold to South Africa's largest manganese producer, Samancor, in exchange for 5m Samancor shares priced at R3 (161p) each.

London registered Financials staged a smart recovery in the after-hours' trade, after initial losses prompted by the sharp decline in UK equities.

Rio Tinto-Zinc were finally a net 5 higher at 418p, after 410p.

Australians put on a good *performance* despite the prospect of a power supply crisis in New South Wales following the coal strike in the state.

Oil and gas issues were particularly in demand with Magellan Petroleum 10 up at 120p, Strata 6 better at 33p and Claremont 3 firmer at 50p.

Deals completed in Traded Options amounted to 1,910—1,396 calls and 514 puts. Business was again well-distributed among those in issue with ICI and Imperial recording 255 and 290 calls respectively. ICI were also in demand on the put front with 160 trades arranged.

FINANCIAL TIMES STOCK INDICES

	Mar. 17	Mar. 16	Mar. 15	Mar. 12	Mar. 11	Mar. 10	A year ago
Government Secs	68.01	68.33	68.47	68.30	68.71	68.75	69.98
Fixed Interest	68.85	69.08	69.05	68.98	69.07	69.08	71.76
Industrial Ord	551.4	562.4	565.8	566.9	567.9	556.5	481.1
Gold Mines	219.6	221.5	211.5	219.6	238.0	219.8	346.8
Ord. Div. Yield	5.70	5.60	5.56	5.64	5.61	5.64	6.61
Earnings, Yld.%(full)	10.33	10.18	10.22	10.26	10.24	10.38	13.94
P/E Ratio (net) (*)	11.60	11.73	11.82	11.55	11.57	11.40	8.88
Total bargains	20,174	21,431	21,009	26,705	23,029	22,028	25,376
Equity turnover £m	—	188.41	122.39	181.79	145.99	169.06	155.62
Equity bargains	—	18,849	16,929	19,350	18,676	17,785	20,818

10 am 554.7. 11 am 549.5. Noon 550.7. 1 pm 550.1. 2 pm 549.3. 3 pm 550.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928 Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=11.30.

HIGHS AND LOWS — S.E. ACTIVITY

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.81 (28/6/81)	60.17 (26/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (28/6/81)	61.51 (26/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9/81)	209.2 (13/3/82)	558.9 (22/9/80)	43.5 (26/10/71)

	Mar. 16	Mar. 15
—Daily Gilt Edged Bargains	190.8	202.1
Equities Bargains	188.1	106.7
Value	279.8	247.2
5-day Avrge. Gilt Edged Bargains	214.3	223.1
Equities Bargains	118.5	124.1
Value	293.9	294.6

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −	Div. amount	Times covered	Gross yield	P/E ratio
142	F.P.	26/3	196	186	Amersham	189	−1	b3.5	2.9	2.7	[illegible]
15	F.P.	15/4	22	19	Cambrian & Gen. 7½p	22	...	—	—	—	—
80	F.P.	—	368	315	✱Eldridge Pope £1	365	...	9.5	2.8	3.7	11.2
—	F.P.	—	25	21	Fleet Holdings 20p	23	−1	—	—	—	—
—	F.P.	—	38	27	Greenfriar Warrants	35	−½	—	—	—	—
§90	F.P.	6/5	93	89	✱Imm. Bus. Sys. 10p	92	...	—	—	—	—
‖	F.P.	—	53	47	✱Malaysian Tin 5p	49	−1	—	—	—	16.7
§130	F.P.	16/4	148	137	✱Oceonics 10p	145	+5	bd1.5	4.7	1.5	18.5
‖	F.P.	—	30	30	Osprey Assets	30	...	F1.4	—	6.7	—
¶¶	F.P.	—	42	40	P. H. Industrials	40½	−½	b2.5	1.8	8.4	6.4
‖	F.P.	—	16	15	TSW 5p	16	+½	F0.6	—	5.4	—
45	F.P.	19/2	62	47	✱York Mount	50	−2	b4.51	3.0	12.7	3.6

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price £	+ or −
$100	£25	30/7	35½	25¼	Barclays 16% Ln. Stk.	33½	−½
100	F.P.	14/4	115	111	Boddingtons Brew 9½% Cnv. Ln. 2000-05	114	−2
**	F.P.	—	204	200	Churchbury Ests. 6.4% Cnv. Ln 1995	204	...
100	Nil	22/3	3pm	¼pm	Hunting Pet. 10% Cnv. Ln. 1997	¼pm	−¾
‡99	£10	99/4	11¼	10½	Lee Valley 9½% Red. Prf. 1989	11¼	...
‡97½	F.P.	18/3	110½	101	Mid-Kent Water 9½% Red. Prf. 1987	101	...
$100	£10	—	101⅞	99¾	Nationwide Bdg. Soc. 15⅜% (17/1/83)	101⅞	−½
$100	F.P.	—	101⅛	100	Do. 15⅜% (7/2/83)	101⅛	−⅛
$100	F.P.	—	100⅛	100¼	Do. 14¼% (14/3/ 5)	100⅛	...
**	F.P.	16/4	102p	100p	Ropner 11½% Cum Prf.	102p	...
98.53	£20	20/5	25	19⅞	Trans-Canada Pipelines 16½% Notes [illegible]	24	−½

"RIGHTS" OFFERS

Issue price p	Am'ent paid up	Latest Renunc. date		1981/2 High	1981/2 Low	Stock	Closing price p	+ or −
70	F.P.	15/3	19/4	87	75	Clyde Petroleum	75	[illegible]
140	F.P.	19/2	19/3	164	148	Davy Corp.	148	−4
40	F.P.	8/3	23/4	49	40½	✱Energy Finance 10p	42	...
30	Nil	—	—	27pm	20pm	First Castle 10p	23pm	...
160	Nil	22/3	29/4	28pm	4pm	Hunting Pet. Services	17pm	−1
220	F.P.	26/2	26/3	296	258	Lovell (Y.J.)	265	...
A$2.25	Nil	—	—	90pm	12pm	M.I.M.	20pm	+2
188	F.P.	11/2	26/3	229	217	MEPC	227	−2
110	Nil	23/3	23/4	38pm	24pm	Security Centres	38pm	...
11	Nil	—	—	3½pm	3½pm	Shaw & Marvin 10p	3½pm	...
25	F.P.	26/2	19/3	41	35	Smith St. Aubyn	37	+3
45	F.P.	—	—	48	37	Steaua Romana (Brit.)	37	...
10	Nil	—	—	2½pm	1pm	Sturla 10p	2pm	−½

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ‡‡ Unit comprising five ordinary and three Cap. Shares.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Inds.	400	−13	ICI	324	−4
Barclays Bank	446	−5	IMI	56	−4
Barratt Dev.	259	−6	Lex Service	115	+6
Bowater	232	−5	Marks & Spencer	142	−2
BP	280	—	Racal Elec.	368	−2
GUS A	495	−13	Turner & Newall	77	−17

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of changes	Tuesday's closing price	Day's change	Stock	No. of changes	Tuesday's closing price	Day's change
B. H. Prop.	24	460	+10	Barclays Bank	18	450	−5
Shell Transport	23	348	+2	Cons. Gold	18	[illegible]	[illegible]
Barratt Devs.	21	265	+11	Ultramar	18	335	+5
De Beers Dfd.	20	227	+1	Guinness Peat	17	68	+10
Grand Met.	20	203	−5	LASMO	17	275	−5
Hwkr. Siddeley	19	306	−10	Marks Spencer	16	144	−2
Racal Elec.	19	370	+10	Unilever	16	623	−5

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 8	Mar 19	June 17	June 28
Mar 22	April 2	July 1	July 12
Apr 5	Apr 16	July 15	July 26

For rate indications see end of Share Information Service

Calls were arranged in Woodside, Trident TV A, NCC, Stone-Platt, Charterhall, Town and City Properties, Gill and Duffus, Tubes, Barratt Developments, Siaglo, Premier Oil, George Sturla, Broken Hill Proprietary and Allnatt London Properties. Puts were done in Sotheby Parke Bernet, A. Monk and John Laing A, while doubles were taken out in First National Finance and Selincourt.

NEW HIGHS AND LOWS FOR 1981/2

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (21)

BUILDINGS (1): Lawrence (W.)

CHEMICALS (2): Ciba Geigy 8¼pc Cnv.; Plysu

ELECTRICALS (5): Air Call; Memec; Crystalate; Scholes (G. H.); Eurotherm Int.; Sound Diffusion

ENGINEERING (2): Beauford; Braswav

HOTELS (1): Kennedy Brookes

INDUSTRIALS (5): Armour Trust; Evode; Elbar (J.); Riley (E. J.); Black (P.)

SHOES (1): Pittard

TEXTILES (2): Corah; [illegible]

NEW LOWS (35)

AMERICANS (2): Crown Zellerbach; Sperry Corp.

CANADIANS (1): Brascan

BANKS (1): Bank of Ireland

BUILDINGS (1): Allied Plant

CHEMICALS (1): Leigh Ints.

STORES (2): Harrier of London; [illegible]

ENGINEERING (3): Black & Decker; Walker (C. & W.); Elliott (B.)

INDUSTRIALS (3): Austin (F.) (Leyton); Hollis Bros.; C.H. Inds.

INSURANCE (1): Liberty Life SA

PROPERTY (1): [illegible]

SOUTH AFRICANS (1): Greatermans A

TEXTILES (2): Shaw Carpets; Small & Tidmas

TRUSTS (8): Baillie Gifford Japan; Newmarket; Drayton Far East; Precious Metals; Japan Assets; Winterbottom; New Aust. Inv. Tst.; Utd. Comp. & Tech.

OIL & GAS (14): British Borneo; New Court Nat.; Cambridge; Edinburgh Sec.; Bryson; TR Energy; Energy Cap.; Texaco 4¾pc Cnv.; Hamilton Oil; Tri Basic Res.; Moray Firth; Tricentrol; [illegible]

TEAS (1): McLeod Russel 8.4pc Cnv. Prf.

MINES (12): Bracken; Metals Ex.; Kinross; Olemin; Nat. Lon. Cool Pt.; Vultan Mine; Anglo-Am. Inv.; Malaysia Mining; De Beers Dfd.; Pauling; Impala Plat.; Colby Res.; Zambia Copper

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	82	10
Corpns. Dom. and Foreign Bonds	—	27	47
Industrials	110	427	819
Financial and Prop.	26	258	236
Oils	15	40	54
Plantations	4	4	14
Mines	25	46	80
Others	42	69	44

H. WILLIAMS

Thames Investments, a Finbarr Holland Family company, acquired 3,564 shares of H. Williams at £7 and now owns 3,764 shares. Thames has been deemed to be an associate of John Quinn and his family who own or control 17.9 per cent of the ordinary.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Wed March 17 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Mar 16 Index No.	Mon Mar 15 Index No.	Fri March 12 Index No.	Thur March 11 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	365.92	−1.4	9.35	4.33	13.50	371.07	371.85	371.42	371.21	[illegible]
2	Building Materials (25)	330.91	−1.4	13.19	5.20	9.10	335.50	339.01	338.82	336.02	[illegible]
3	Contracting, Construction (28)	602.51	−1.8	14.85	4.76	7.94	613.31	617.75	615.93	613.72	[illegible]
4	Electricals (31)	1258.89	−0.8	7.36	2.35	17.35	1268.76	1263.93	1259.70	1260.39	[illegible]
5	Engineering Contractors (9)	498.04	−1.5	12.68	5.89	9.22	505.52	504.47	503.94	506.33	425.25
6	Mechanical Engineering (67)	189.92	−1.4	11.05	5.86	11.52	192.66	194.38	194.93	194.60	190.36
8	Metals and Metal Forming (12)	160.64	−2.6	7.09	7.63	20.84	164.98	165.76	166.92	166.15	145.30
9	Motors (21)	98.43	−1.0	—	6.76	—	99.46	99.27	98.60	98.23	88.44
10	Other Industrial Materials (17)	378.32	−2.9	8.87	5.47	14.01	389.49	389.84	389.61	393.56	341.64
21	CONSUMER GROUP (199)	290.76	−1.6	12.56	5.73	9.77	295.38	297.14	298.08	298.66	[illegible]
22	Brewers and Distillers (21)	286.86	−1.7	16.40	6.80	7.34	291.93	296.45	298.20	297.42	[illegible]
25	Food Manufacturing (21)	270.04	−1.4	15.78	6.71	7.62	273.78	276.97	280.27	281.07	[illegible]
26	Food Retailing (15)	603.64	−1.4	8.92	3.31	13.66	612.47	612.70	611.16	612.70	458.67
27	Health and Household Products (8)	384.50	−0.9	8.12	4.11	14.48	387.80	389.24	386.47	386.07	[illegible]
29	Leisure (24)	439.40	−1.5	9.48	5.03	13.23	446.10	444.09	447.19	449.33	[illegible]
32	Newspapers, Publishing (12)	517.44	+0.1	10.97	6.04	12.20	516.88	515.79	515.40	515.42	[illegible]
33	Packaging and Paper (13)	141.79	−1.8	14.11	7.60	8.47	144.39	145.46	145.91	147.83	124.07
34	Stores (45)	265.69	−1.8	10.65	5.04	12.60	270.58	271.15	272.18	271.84	251.42
35	Textiles (23)	171.65	−0.6	9.87	5.82	13.07	172.63	173.36	173.31	173.58	[illegible]
36	Tobaccos (3)	299.44	−2.8	20.46	8.71	5.57	308.05	311.52	310.67	316.80	212.67
39	Other Consumer (14)	286.43	−0.2	0.23	5.91	—	287.15	287.57	285.55	285.74	279.25
41	OTHER GROUPS (78)	252.73	−1.1	13.30	6.16	9.07	255.65	257.14	257.46	258.92	[illegible]
42	Chemicals (16)	334.69	−1.2	13.35	6.90	8.95	338.88	342.81	343.72	346.36	[illegible]
44	Office Equipment (4)	126.83	−1.3	12.69	6.78	9.59	128.48	129.84	130.58	130.58	[illegible]
45	Shipping and Transport (13)	561.37	−0.6	19.09	6.58	6.23	564.93	570.73	566.70	572.65	[illegible]
46	Miscellaneous (45)	317.31	−1.2	11.67	5.17	10.49	321.04	320.36	320.81	321.86	288.38
49	INDUSTRIAL GROUP (487)	311.56	−1.4	11.47	5.27	10.76	316.12	317.54	317.95	318.44	[illegible]
51	Oils (13)	641.67	+0.4	21.07	9.02	5.46	639.39	632.66	638.24	642.76	[illegible]
59	500 SHARE INDEX	338.53	−1.2	12.92	5.84	9.38	342.55	343.33	344.15	344.97	[illegible]
61	FINANCIAL GROUP (117)	256.63	−0.7	—	6.16	—	258.53	261.12	263.04	263.77	[illegible]
62	Banks (6)	273.36	−0.9	39.09	7.70	2.85	275.73	283.52	289.17	288.15	[illegible]
63	Discount Houses (9)	233.78	−1.8	—	9.28	—	238.17	239.16	240.20	238.97	[illegible]
65	Insurance (Life) (9)	259.85	−0.1	—	6.20	—	260.08	260.73	260.46	260.65	271.09
66	Insurance (Composite) (10)	165.93	−1.0	—	8.33	—	167.67	168.09	167.98	168.78	166.64
67	Insurance Brokers (7)	441.31	−2.2	10.08	5.17	13.40	451.85	457.69	457.05	457.05	[illegible]
68	Merchant Banks (12)	145.00	—	—	5.41	—	145.02	144.13	146.25	146.24	148.97
69	Property (49)	455.25	−0.6	4.71	3.24	28.36	458.06	460.73	464.39	468.36	[illegible]
70	Other Financial (15)	179.61	−0.3	15.89	6.06	7.75	180.19	181.14	181.11	182.23	[illegible]
71	Investment Trusts (112)	292.51	−1.4	—	5.58	—	296.69	297.29	299.30	299.54	[illegible]
81	Mining Finance (4)	200.44	+0.8	16.90	7.09	7.19	198.93	196.96	200.24	202.71	230.19
91	Overseas Traders (17)	372.44	−1.3	14.06	8.55	8.68	377.33	383.29	387.60	387.13	[illegible]
99	ALL-SHARE INDEX (750)	317.43	−1.1	—	5.95	—	320.87	322.02	323.38	324.10	[illegible]

FIXED INTEREST

	PRICE INDICES	Wed Mar 17	Day's change %	Tues Mar 16	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	109.74	−0.14	109.90	—	2.65
2	5-15 years	110.14	−0.50	110.70	—	2.21
3	Over 15 years	114.01	−0.49	114.57	—	2.52
4	Irredeemables	121.37	−0.37	121.82	—	1.62
5	All Stocks	111.02	−0.39	111.45	—	2.41
6	Debentures & Loans	87.23	−0.28	87.47	—	3.09
7	Preference	64.27	−0.12	64.35	—	2.15

	AVERAGE GROSS REDEMPTION YIELDS		Wed Mar 17	Tues Mar 16	Year ago (approx.)
	British Government				
1	Low	5 years	12.37	12.30	11.25
2	Coupons	15 years	12.89	12.82	12.05
3		25 years	12.63	12.58	12.17
4	Medium	5 years	14.25	14.06	[illegible]
5	Coupons	15 years	13.92	13.85	[illegible]
6		25 years	13.49	13.34	[illegible]
7	High	5 years	14.07	13.96	[illegible]
8	Coupons	15 years	14.12	14.02	[illegible]
9		25 years	13.59	13.51	[illegible]
10	Irredeemables †		12.26	12.21	[illegible]
11	Debs & Loans	5 years	14.79	14.65	[illegible]
12		15 years	14.78	14.65	[illegible]
13		25 years	14.68	14.65	[illegible]
14	Preference †		15.29	15.28	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post [illegible]

FT UNIT TRUST INFORMATION SERVICE

INSURANCE BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	[illegible]	[illegible]	.....	—
Equity Fund	[illegible]	[illegible]	-0.4	—
Property Acc.	[illegible]	277.[illegible]	.....	—
Equity Acc.	[illegible]	[illegible]	-0.5	—
Selective Fund	[illegible]	15[illegible]	-0.8	—
Money Fund	[illegible]	[illegible]	.....	—
Convertible Fund	[illegible]	[illegible]	.....	—
Prop. Fd. Ser. 4	[illegible]	[illegible]	.....	—
Equity Ser. 4	[illegible]	[illegible]	-0.5	—
Man. Ser. 4	[illegible]	20[illegible]	-0.8	—
Money Ser. 4	[illegible]	[illegible]	.....	—
Conv. Ser. 4	[illegible]	[illegible]	.....	—
Fixed Int. Fd. Ser. 4	[illegible]	[illegible]	-0.4	—
American Ser. 4	[illegible]	[illegible]	.....	—
High Inc. Ser. 4	[illegible]	[illegible]	-0.5	—
Pension Property	[illegible]	[illegible]	.....	—
Pension Equity	[illegible]	[illegible]	-2.1	—
Pension Selective	144.8	[illegible]	-0.7	—
Pension Managed	[illegible]	[illegible]	-1.1	—
Pension Security	[illegible]	[illegible]	.....	—
Pension Fixed Int.	[illegible]	115.[illegible]	-0.3	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	314.2	330.6	.....	—
Fixed Int. Acc.	191.9	201.9	.....	—
Gtd. Money Fd. Ac.	153.3	161.3	.....	—
Intl. Man. Fd. Acm.	139.4	146.7	.....	—
Intl. Fxd. Int. Fd.	108.1	113.8	.....	—
Prop. Fd. Acc.	157.6	165.9	.....	—
M'ple Inv. Acc.	244.3	257.1	.....	—
Equity Pen.Fd.Acc.	429.8	452.4	.....	—
Fixed I.Pen.Acc.	305.3	321.3	.....	—
G'td.Mon.Pen.Acc.	209.5	220.5	.....	—
Intl.Mn.PnFdAcc.	160.7	169.1	.....	—
Prop.Pen.Acc.	206.7	217.6	.....	—
M'ple Inv.Pen.Acc.	352.4	370.9	.....	—

Crown Life
Crown Life Hse., Woking GU21 1XW 04862 5033.

Dist. Fd. Incm.	[illegible]	[illegible]	-0.9	10.40
Mang'd Fd. Acc.	[illegible]	[illegible]	-0.8	—
Mang'd Fd. Init.	[illegible]	[illegible]	-0.7	—
Mang'd. Fd. Incm.	[illegible]	133.0	-0.6	8.25
Property Fd. Acc.	[illegible]	137.0	.....	—
Property Fd. Init.	116.6	[illegible]	.....	—
Property Fd. Incm.	104.0	[illegible]	.....	7.10
Fixed Int. Fd. Acc.	134.3	[illegible]	-1.2	—
Fixed Int. Fd. Incm.	102.8	[illegible]	-0.9	13.05
Equity Fd. Acc.	[illegible]	[illegible]	-0.8	—
Equity Fd. Init.	[illegible]	[illegible]	-0.7	—
Equity Fd. Incm.	[illegible]	[illegible]	-0.6	5.25
Inv. Tst. Fd. Acc.	[illegible]	164.7	-2.6	—
Inv. Tst. Fd. Init.	[illegible]	[illegible]	-2.3	—
Inv. Tst. Fd. Incm.	[illegible]	142.[illegible]	-2.2	2.55
Money Fd. Acc.	[illegible]	[illegible]	+0.1	—
Money Fd. Incm.	[illegible]	[illegible]	.....	15.00
Inter'l. Fd. Acc.	[illegible]	[illegible]	+0.4	—
Inter'l. Fd. Incm.	[illegible]	[illegible]	+0.4	4.30
High Income Acc.	[illegible]	[illegible]	-1.7	—
High Income Inc.	[illegible]	[illegible]	-1.5	11.15
PE Coronet Fd.	[illegible]	[illegible]	+0.5	—
Carr Sebag Inv. Fd.	[illegible]	[illegible]	-2.1	—
Brewin Equity Fd.	[illegible]	[illegible]	-2.8	—
Strategic Inv. Fd.	[illegible]	[illegible]	-0.6	—
Beaufort Man. Fd.	[illegible]	[illegible]	+2.3	—
St. George Mangd. Fd.	[illegible]	113.[illegible]	+0.4	—
Lincs & Gen.Fd.	116.9	123.[illegible]	+1.6	—
Sage Fd.	89.9	[illegible]	-1.1	—
Heritage Fd.	95.4	[illegible]	-0.9	—
DBS Managed	102.3	[illegible]	+2.5	—
Crown. Brit. Inv. A.	212.3		.....	—
Pens. Mixed. Fd.	141.9	[illegible]	.....	—
Pens. Mang'd. Acc.	106.0	[illegible]	.....	—
Pens. Mang'd. Init.	103.2	[illegible]	.....	—
Pens. Equity Acc.	96.4	101.4	.....	—
Pens. Equity Init.	93.8	98.7	.....	—
Pens. Fxd. Int. Acc.	105.6	[illegible]	.....	—
Pens. Fxd. Int. Init.	102.8	[illegible]	.....	—
Pens. Money Acc.	105.2	[illegible]	.....	—
Pens. Money Init.	102.6	[illegible]	.....	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N4DJ 488 2323

Growth Prop. Mar 2	103.5	113.8	.....	—
Managed Pens Mar 10	111.91	117.80	+1.00	—

Legal & General (Unit Assur.) Ltd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456

Cash Initial	[illegible]	[illegible]	.....	—
Do. Accum.	[illegible]	[illegible]	.....	—
Equity Initial	[illegible]	186.4	-1.6	—
Do. Accum.	202.[illegible]	213.2	-1.9	—
Fixed Initial	[illegible]	168.7	-1.4	—
Do. Accum.	[illegible]	194.1	-1.5	—
Intl. Initial	[illegible]	123.2	-0.3	—
Do. Accum.	[illegible]	[illegible]	-0.4	—
Managed Initial	[illegible]	[illegible]	-1.1	—
Do. Accum.	18[illegible]	[illegible]	-1.1	—
Property Initial	[illegible]	[illegible]	+0.1	—
Do. Accum.	154.9	[illegible]	+0.1	—
Exempt Cash Init.	[illegible]	[illegible]	+0.1	—
Do. Accum.	[illegible]	[illegible]	+0.1	—
Exempt Eqty. Init.	243.1	[illegible]	-3.2	—
Do. Accum.	279.1	293.[illegible]	-3.7	—
Exempt Fixed Init.	194.6	[illegible]	-0.9	—
Do. Accum.	223.5	[illegible]	-1.1	—
Exempt Ind. Initial	74.6	[illegible]	-0.3	—
Do. Accum.	76.9	81.0	-0.2	—
Exempt Mngd. Init.	226.1	238.1	-2.2	—
Do. Accum.	259.7	273.4	-2.5	—
Exempt Prop. Init.	151.5	159.5	.....	—
Do. Accum.	174.0	[illegible]	+0.1	—
Sp. Deposit Init.	101.6	107.0	.....	—
Do. Accum.	103.6	109.1	+0.1	14.0

Legal & General Prop. Fd. Mgrs. Ltd.
11, Queen Victoria St., EC4N 4TP. 01-248 9678

L & G March 1	124.0	130.6	.....	—

Next sub. day April 1.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	11.28	11.84	+0.45	—

OFFSHORE & OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
98⅞	93$\frac{15}{16}$	Treasury 8¼pc '82	98⅝	—⅛	8.37	12.94
98¾	93$\frac{11}{16}$	Exch. 9¼pc 1982	97⅞xd	—⅛	9.45	13.60
97	92⅜	Exch. 8¾pc 1983	96½	—⅛	9.07	13.39
94	84⅞	Exch. 3pc 1983	92¼	—¼	3.25	12.02
99⅜	95	Treasury 12pc 1983‡‡	98⅝	—⅛	12.17	13.51
97	90⅛	Treasury 9½pc '83	96¼	—⅛	9.61	12.36
101$\frac{11}{16}$	95¼	Exch. 13½pc '83	99⅝	—⅛	13.55	13.61
96⅛	89¼	Exch. 10pc 1983	95¼	—⅛	10.50	13.09
90½	83½	Funding 5½pc '82-84‡‡	90	......	6.11	11.70
97¼	90	Exch. 11¼pc 1984	96½	—⅛	11.66	13.34
103$\frac{3}{16}$	95¼	Exchequer 14pc 1984	100½	—¼	13.93	13.70
84¼	77	Exch. 3pc 1984	84	......	3.57	11.21
98⅜	90½	Treasury 12pc 1984	96¾xd	—⅛	12.40	13.55
107¼	95⅞	Treasury 15pc 1985	102¾	—¼	14.60	13.81
98⅞	88¾	Exch. 12pc Cnv. '85	96xd	—¼	12.50	13.66
78¼	71	Treasury 3pc 1985	77¾	......	3.86	11.56
96$\frac{5}{16}$	85¾	Treasury 11½pc 1985	93½	—¼	12.30	14.03
98⅞	87⅜	Exch. 12¼pc 1985	94¾	—¼	12.79	14.09
97⅛	84¾	Exch. 11¾pc '86	93⅛	—¼	12.62	14.07
74¼	65¾	Treasury 3pc 1986	72	......	4.17	11.67
97$\frac{3}{16}$	84½	Treasury 12pc '86	93¼	—¼	12.87	14.14
88⅜	78½	Treasury 8½pc '84-86‡‡	87	......	9.77	12.49
100⅛	91⅞	Exch. 14pc 1986	98⅞	—⅜	14.16	14.31
103⅞	90	Exch. 13¼pc 1987	97¾xd	—⅜	13.56	13.88
59⅜	55	Do. A (£50 pd.)	58¾	—⅜	13.65	14.10

Five to Fifteen Years

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
81¾	71⅛	Funding 6½pc '85-87‡‡	80½	—⅜	8.33	12.41
67	64½	Treasury 3pc 1987	65¾	......	4.60	12.04
97¼	81½	Treas. 12pc 1987	96⅜	—½	13.05	14.10
[illegible]	[illegible]	Treasury 7¾pc '85-88‡‡	79¼	—½	9.91	13.20

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

548	285	Bank Scotland £1	430	—3	†17.5	5.7	5.8	3.2
512	370	Barclays £1	445xd	—5	¶22.0	q5.3	7.1	2.9
243	182	Brown Shipley £1	235	......	h6.5	—	4.0	—
408	[illegible]	Cater Allen £1	320	—5	23.1	—	10.3	—

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
650	75	Falcon Rh.50c	80	......	Q25c	10.3	23.3
135	55	Roan Cons. K4	60	......	♦—	—	—
59	20	Wankie Col. Rh.1	21	......	Q3c	1.2	10.6
32	16	Zam.Cpr.SBD0.24	16	−1	—	—	—

Australian

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
53	32	Acmex 50c	46	......	Q4c	—	5.4
41	10	ACM 20c	12	......	—	—	—
21	2½	Argosy Gold NL 25c	2½	......	—	—	—
229	74	Bond Corp.	82	......	Q10c	2.3	7.8
112	63	Bougainville I Kina	68	......	Q6½c	♦	5.7
302	146	CRA 50c	153xd	+1	Q5c	♦	2.0
25	9	Canada Northwest	11	......	—	—	—
35	10	Carr Boyd 20c	13	......	—	—	—
60	22	Central Pacific	35	+1	—	—	—
47	10	Cultus Pacific N.L.	14	......	—	—	—
68	14	Eagle Corp. 10c	16	+1	—	—	—
40	14	Endeavour 20c	16	+1	—	—	—

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- * "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	40	......	**IRISH**		
Bertrams	17#	......	Conv. 9% '80/82	£95½	......
Bdg'wtr. Est. 50p	410	−10	Nat. 9¾% 84/89	£65¾	......
Craig & Rose £1	£12¾	......	Fin. 13% 97/02	£68¾	......
Finlay Pkg. 5p	25	......	Alliance Gas	55	......
Gmlg Ship. £1	£20	......	Arnott	220	......
Higsons Brew	67	......	Carroll (P.J.)	73½	......
Holt (Jos) 25p	565	......	Concrete Prods.	90	......
I.O.M. Stm. £1	120	......	Helton (Hldgs.)	20	......
Pearce (C. H.)	£11¼	......	Irish Ropes	37	......
Peel Hldgs.	130	+11	Jacob	73	......
Sheff. Refrshmt	75	......	T.M.G.	10	......
Sindall (Wm.)	200	......	Unidare	44xd	......

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	0	Woolworths	5
Babcock	10	I.C.L.	5½	**Property**	
Barclays Bank	42	Ladbroke	15	Brit. Land	7½
Beecham	21	Legal & Gen.	19	Cap. Counties	10
Blue Circle	48	Lex Service	10	Land Secs.	28
Boots	19	Lloyds Bank	42	MEPC	20
Bowaters	24	"Lofs"	6½	Peachey	14
Brit. Aerospace	17	London Brick	7	Samuel Props.	11
B.A.T.	38	Lucas Inds.	28	Town & City	3½
Brown (J.)	7	"Mams"	12	**Oils**	
Burton Ord.	15	Mrks. & Spncr	12	Brit. Petroleum	26
Cadburys	9	Midland Bank	30	Burmah Oil	10
Courtaulds	8	N.E.I.	9	Charterhall	6
Debenhams	7	Nat. West. Bank	38	KCA	14
Distillers	15	P & O Dfd.	14	Premier	6
Dunlop	6½	Plessey	32	Shell	30
Eagle Star	31	Racal Elect.	35	Tricentrol	22
F.N.F.C.	4	R.H.M.	6½	Ultramar	38
Gen. Accident	28	Rank Org. Ord.	20	**Mines**	
Gen. Electric	65	Reed Intnl.	26	Charter Cons.	25
Glaxo	42	Sears	6	Cons. Gold	45
Grand Met.	17	Tesco	5½	Lonrho	7
G.U.S. 'A'	45	Thorn EMI	42	Rio T. Zinc	42
Guardian	25	Trust Houses	11		
G.K.N.	15	Tube Invest.	13		
Hawker Sidd.	30	Turner & Newall	11		
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Thursday March 18 1982

Sabena asks for wage cuts of up to 15%

By Giles Merritt in Brussels

SABENA, Belgium's national airline, has asked its staff to accept pay cuts of up to 15 per cent and a reduction in retirement ages to 55 for men and 53 for women.

In a bid to staunch crippling losses, the airline will examine the possibility of major cuts in its routes. Services to West Germany and Eastern Europe are expected to be axed first.

Employees will vote on the pay cuts and early retirement call soon. Putting the proposed cuts to the unions yesterday, Mr Carlos van Rafelghem, the Sabena president, underlined the need for economies with the disclosure of heavy losses in 1981.

Emergency

Last year's loss was BFr 2.34bn (£29.5m) compared with BFr 1.58bn in 1980. This brings the airline's accumulated losses to almost BFr 12bn.

The Belgian Government has said its recent offer of an emergency cash injection is conditional on the staff accepting pay cuts.

There is also an implied threat that, if the workforce rejects the proposals, the government—which holds a 90 per cent stake in Sabena—might impose cuts even more severe than those asked for by the management.

The airline is known to be anxious for the Government to reduce its heavy debt servicing burden through a recapitalisation which could require the injection of about BFr 6bn.

The proposed wage cuts early retirement package is, however, seen as the key to settling the immediate crisis.

Development

A vote by the majority of Sabena's 9,500 employees to accept the measures would also represent an important development in the new centre-right coalition Government's campaign to impose wage restraint and budgetary austerity in Belgium.

The government faces worsening social unrest, triggered by its hardline economic policies.

Earlier this week about 200 people were injured in violent clashes in central Brussels between large forces of riot police and 10,000 steelworkers demonstrating against threatened job losses.

Last week a march by about half Sabena's workforce protesting against wage cuts culminated in police using tear gas and water cannon against the airline personnel.

The protest does not necessarily signal, however, that Sabena employees will reject the management's latest plan. Yesterday's proposals mark a compromise on the pay cuts urged by the government. These would have ranged from 15 per cent up to 24 per cent.

NOTT REPORTS ON TRIDENT PLANS

D5 'saves cash for a year or two'

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

PRESSURES ON the defence budget will be greatly eased in the next year or two by the Government's decision to buy the more elaborate version of the Trident nuclear missile from the U.S., Mr John Nott, Defence Secretary, said yesterday.

Mr Nott said only about £300m of the estimated £7.5bn needed to buy Trident D5 missiles and build new submarines would have been spent by mid-1984.

Orders for future delivery would also be smaller than they would have been had Britain, as was originally intended, opted for the earlier C4 version.

He told the Commons Defence Committee in a special session that this would "very substantially ease" the Ministry's financial problems in the next two years, by which time last June's defence cuts would be starting to have their desired effect.

Mr Nott failed to clear up confusion on other financial aspects of the £7.5bn missile deal, which is designed to replace the present Polaris nuclear deterrent by the mid-1990s.

Several MPs sought clarification on the proportions of the total sum to be spent in Britain and the U.S. Britain will buy the missiles from the U.S., but manufacture in this country the warheads and submarines which will carry them.

In response to a question from Mr John Cartwright (SDP Woolwich East), Mr Nott acknowledged that about 45 per cent of the total would be spent in the U.S. under the new Trident deal, against an estimate of 30 per cent for the C4 deal.

This would mean about £3.3bn in dollar spending at 1981 prices.

Mr Cartwright said, however, even allowing for the extra £390m the new missiles would cost, and the Government's estimates that exchange rate movements would add more than £700m to the new bill, there still seemed a "sizeable chunk" of dollar spending unexplained.

Mr Nott said that the difference could be explained by the £390m and the changes in exchange rates and inflation.

There was an evident division yesterday between Labour and Tory members of the committee, the latter supporting the Government's Trident decision and Labour opposing it.

In the light of these differences Dr John Gilbert, (Dudley East), senior Labour member, sought and obtained an assurance from Mr Nott that the Government had not tried to maximise the penalties which would be incurred if Trident were cancelled, as the Labour Party promises if it wins the next election.

Mr Nott noted that there was no overall penalty for cancellation in the Trident agreement, though penalties would be incurred on equipment ordered and then cancelled.

He hoped to discuss details of how British companies might compete in the overall U.S. Trident programme with Mr Caspar Weinberger, the U.S. Defence Secretary, next week.

Such competition is a new element in UK-U.S. nuclear weapons agreements.

The two men will meet in the Nato nuclear planning group, which convenes at Colorado Springs next week.

Mr Nott hopes that some of the dollar costs of Trident will be offset by earnings of British companies in the U.S. on the Trident deal.

Procter and Gamble to spend $371m in pharmaceutical deal

BY DAVID LASCELLES IN NEW YORK

PROCTER and Gamble, the U.S. giant of the household products business with brands like Tide, Daz and Fairy Liquid, is moving into pharmaceuticals.

The Cincinnati-based company announced yesterday that it would spend $371m (£205m) in cash to acquire the worldwide pharmaceuticals division of Morton-Norwich, a salt, chemicals and drug company in which Rhone-Poulenc of France has a 20 per cent stake.

Its products include well-known U.S. brand names like Pepto-Bismol, a treatment for stomach disorders, as well as a broad line of prescription drugs and other pharmaceutical products sold directly to hospitals and doctors. The division had sales of $216m in the 12 months to June 30, 1981, and employs 3,200 people.

The division reported pre-tax earnings of $22m in the year to June 1981. In the first six months of the current year, it earned $18m.

Mr John Smale, president of Procter and Gamble, described the deal as an important step for his company. "It provides an entry into categories of growing business in which we do not currently compete. This acquisition should provide new opportunities to capitalise on developments from our own scientific research and new technology and experience which together offer long term growth opportunities for Procter and Gamble."

It was not clear yesterday how the deal would affect Rhone-Poulenc, which, in addition to its 20 per cent stake in Morton-Norwich, has a technology exchange arrangement with the pharmaceuticals division that Procter and Gamble is buying.

Rhone-Poulenc has made no secret of its unhappiness with the American company's performance since it bought its stake in 1978. Morton-Norwich has gone to court to try to stop Rhone-Poulenc selling out, claiming that that would be a contravention of the original stock purchase agreement.

Procter and Gamble said yesterday the company had not yet spoken to Rhone-Poulenc "but we fully expect that the technology exchange arrangements will be part of the deal."

Procter and Gamble had been expected to launch into a new business as an avenue to further growth. At a rare meeting with investment analysts last month Mr Smale listed acquisition high among the company's options, though he did not mention pharmaceuticals.

Morton-Norwich said it had decided to withdraw from the pharmaceuticals business because Rhone-Poulenc's decision to pull out had placed it in jeopardy. "Our sales base was not sufficiently large to support the kind of research and development effort that would be needed to preserve our position in the market."

ICI buying Holden shares

By Ray Maughan

A DAY after learning that its agreed £12.8m cash offer for Arthur Holden and Sons had been blocked by a reference to the Monopolies and Mergers Commission, Imperial Chemical Industries yesterday sent its brokers into the stock market to buy about 11 per cent of the specialist paint manufacturer.

Matching the terms of its original bid at 180p per share, ICI was able to pick up what its financial advisers, Schroder Wagg, described as "most of the weak and loose holders" in Holden although the chemical group plans to continue buying today. Under the terms of the Takeover Code, however, it cannot go beyond 14.9 per cent.

ICI had been on the point of gaining control as the bid approached yesterday's closing date. It had received acceptances from holders of 35 per cent of the equity, but, crucially, had not acquired any shares on its own account. Yet International Paint, a subsidiary of Courtaulds, retains a 12 per cent stake acquired in its own dawn raid in January.

Mr George Morris, managing director of International Paint, "We are just sitting here watching the situation," and refused to be drawn on any bid prospects.

The commission has been told to publish its findings within six months, and both ICI and Holden are confident of a favourable verdict. Mr Charles Blunt, of Holden's merchant bank, Kleinwort Benson, said "we are are all reasonably relaxed about the outcome."

Shares in Holden recouped all the previous day's setback with a 22p rise to 180p.

Government considers divorcing London Transport from GLC

BY LYNTON McLAIN

THE GOVERNMENT is considering removing from the Greater London Council responsibility for London Transport. Such a move would have "clear implications" for the future of the GLC itself, Mr David Howell, the transport secretary said in evidence to the House of Commons transport committee yesterday.

If there should be a divorce, as Mr Howell termed it, "the whole question of who should run the transport services, what scale these services should be, whether they should be smaller and more accountable and what body should take over from the GLC still has to be decided," he told MPs on the committee. There could be a divorce "if the GLC does not fulfil its responsibilities."

"If the GLC fails, then clearly a new pattern will emerge," Mr Howell said.

The Transport Department is studying the possibility of splitting London Transport into separate bus and tube train operations. One possibility which has already been considered is for the bus operations to be run by private sector companies.

The Law Lords' judgment outlawing the GLC's cheap fares policy for LT had created a "dangerous and wholly deplorable situation and a severe blow for London," Mr Howell said.

He warned that "if a new pattern emerged where a non-GLC body was to oversee London Transport, then I would be in a good position to redeploy our resources very rapidly to meet the needs of a new and more co-ordinated set-up."

Brian Groom adds: London Transport yesterday deferred for four weeks plans to cut peak time underground services from next Monday. This is the day after bus and tube fares double because of the Law Lords' ruling against the GLC's cheap fares scheme.

The 14 LT unions, campaigning for a change in the law to allow cheap fares to continue, have not ruled out further industrial action following last week's one-day stoppage. There have also been threats of disruption over pay, on which LT has budgeted for 5 per cent increases.

The three rail unions, which have lodged claims for "substantial" increases, begin pay talks with London Transport on Monday.

THE LEX COLUMN

Squealing brakes at T & N

After the horrors of last year, the 1982 UK company results season was supposed to bring solid recovery in profits and dividends, on the back of lower costs if not higher sales volume. Serious doubts were cast on this happy picture yesterday by Turner and Newall, which six months ago was making encouraging noises about recovery. Out of the blue it has passed its final dividend, knocking the shares down 17p to 77p and contributing greatly to an 11 point fall in the FT 30-Share Index.

For 1981 as a whole Turner has announced pre-tax profits of £11.0m against £6.2m, after an £8.3m increase to £28.3m in trading profits from the African businesses, which bear a heavy tax charge. Another lump of extraordinary costs leaves an attributable loss of £26.1m against £20.3m in 1980. Second-half pre-tax profits—on sales of £320m—were a mere £2.5m, as things began to go very wrong in the last quarter. The sharp rise in UK interest rates brought a new surge of customer destocking, which provoked a price war in brake linings, while the U.S. economy was weakening rapidly and earnings from the Zimbabwe mines slumped.

Most of these problems are now some way towards resolution—Hunt Chemical in the U.S. is said to be doing well, output of asbestos is back in line with sales, and the UK markets are somewhat better on the back of lower interest rates.

In addition, the surgery of the last couple of years is beginning to produce benefits. It is at this point that the dividend, halved last year, has been omitted. The implication is that Turner is very worried about its cash position.

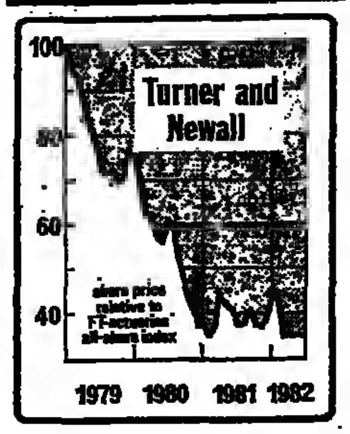
The group's considerable shrinkage—measured by £40m of provisions and write-offs in the last two years—has simply failed to release cash. The normal second half inflow did not materialise in 1981—partly because the asbestos stockpile absorbed £18m—and net borrowings are up £48.2m at £165.4m. This figure represents roughly half shareholders' funds and for the businesses outside Africa the ratio is nearer three-quarters.

More pointedly, interest charges are up 60 per cent of trading profits last year, net debt is twice the market capitalisation of the group, and another outflow of £20m plus is on the cards for this year, despite a £10m budgeted fall in capital spending. If there is a recovery to finance, the strain will be all the greater.

The experience of 1980 suggests that Turner has to inject cash into subsidiaries before it can sell them, so distress sales of assets would have only limited impact on the balance sheets. Selling Hunt Chemical might be a different matter, but Turner seems extremely anxious to hold on to this company.

Better trading volume, particularly in the UK, would come through quickly to the bottom line. But the corner has not yet been turned in trading terms, the financial position is weak, and a bid for the group as a whole seems unlikely. The 1982 interim dividend will probably be no more than nominal, and the shares remain a very speculative investment.

Index fell 11.0 to 551.4



£10m, together with some bounce from the UK construction interests.

Thomas Tilling

The Thomas Tilling growth strategy—buy and buy again—is being called into question by the recession which has gripped the construction industry on both sides of the Atlantic. Pre-tax profits crept up 4.1 per cent to £73.6m last year thanks to a £4.8m gain on currency translation. But this advance is wiped out by the higher tax rate payable on U.S. profits and earnings per share are down for the second successive year. Last year's acquisitions did not cover their finance costs.

Tilling's performance is admittedly pretty resilient, considering the economic climate. Strong growth in the energy equipment and health care business has helped to compensate for the weakness in construction and industrial equipment. The current year should see loss elimination of approaching £10m, together with some bounce from the UK construction interests.

But Tilling may be reconsidering its policy in the light of the recent record. Current cost earnings again provide insufficient cover for a higher dividend and net debt has risen to 50 per cent of tangible net worth. Capital spending of perhaps £100m this year, including acquisitions, will produce another cash outflow and add a few points to gearing.

Tilling has issued equity or loan stock on more than 30 occasions over the past decade but this formula must now look less attractive. After all, at last night's price of 151p, the shares trade on a discount of 18.4 per cent to current cost tangible net worth. The yield is 7.7 per cent.

Commissions

Criticism of the Stock Exchange's proposals for a new commission structure have flown in from all directions, even from its own membership. So discretion has become the better part of valour and the mooted increases in equity dealing charges are to be sliced roughly in half.

The revised charges will still not satisfy all users of members' services. At a time when equity volume is fairly buoyant and members are partially protected against inflation by the rise in equity values, the Stock Exchange will certainly be criticised for trying to support over-capacity in what should be a competitive industry. The Stock Exchange could have made a fair case for adjusting commission brackets, but its attempt to widen margins by pleading poverty has done nothing to bolster its reputation. With its own role under the microscope, it could be trying harder to find friends.

Indexed gilt

A rise in yields on the three existing index-linked stocks over the last couple of days seems to indicate a striking price of £97 or £98 for the new 1988 issue at tomorrow's tender, and private investors can safely apply at par in the hope of getting it cheaper. Above this level, it ceases to be much of a bargain—there may well be two indexed taps on the market next week, and no doubt more in future. But no one should be put off by the apparently low real return after tax—most investors in conventional bonds have been losing money in real terms for years.

Shell cuts industry oil price

Continued from Page 1

off fuel oil. Domestic customers will save 1p a gallon on kerosene, the fuel most commonly used for oil-fired central heating.

The reductions amount to just 2 to 3 per cent, but Shell said yesterday they could mean £500,000 or more off the annual bills of some of their largest customers.

Shell has also cut 5.86p a gallon from the scheduled price of its petrol, but this will not mean lower pump prices. The company is offsetting the fall with an equal reduction in the subsidy it gives its petrol dealers as part of the current filling station price war.

The move merely indicates Shell's belief that the current level of scheduled prices is unrealistically high, given the weak market. The average price of petrol will remain at about 155p a gallon—some 15p below the level last autumn, even after a 9p a gallon tax increase in the Budget.

Shell said that the new prices meant that the company would not be making an adequate return on capital but it had to respond to "very strong competition in the market place."

Demand for oil products has fallen rapidly during the past year. Total UK product deliveries were down 7.6 per cent in 1981 compared to 1980, with fuel oil falling nearly 19 per cent and various types of kerosene by between 9 and 25 per cent.

UK OIL PRODUCTS
The drop in demand
(Deliveries '000 tonnes)

	1980	1981	% change
Fuel oil	19,157	15,584	—18.7
Derv	5,854	5,550	— 5.2
Other gas/diesel oil	11,771,	11,155	— 5.2
Domestic burning oil	1,356	1,230	— 9.3
Premier burning oil	348	259	—25.6
Petrol	19,145	18,717	— 2.2
All products	71,177	65,756	— 7.6

Source: Department of Energy

Continued from Page 1

Wage costs rise slows

per cent in the final quarter of 1981.

This figure is higher than the CBI's because it also reflects the increase of overtime and reduction of short-time working last year, which boosted earnings by more than the amount of pay settlements.

In manufacturing, the annual rate of increase of total earnings rose between December and January from 12.5 to 13.2 per cent. The January figure was in line with the average for the fourth quarter.

The annual increase of basic weekly rates for all industries has been falling since last summer. It was 9.5 per cent in July and August, but 6.7 per cent in February.

The annual increase in basic hourly rates has fallen from a similar level in the middle of last year to 7.6 per cent in February.

The latest published productivity figures, covering the third quarter of 1981, show output per person in manufacturing increased by 7 per cent compared with a year earlier. In his Budget speech, the Chancellor said the improvement for the year as a whole in manufacturing was 10 per cent. For the economy as a whole, output per person in the third quarter was 4 per cent higher than a year earlier.

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Turner & Newall

include the structural foam business in Maryport, the glass-fibre factory at Camberley and the Whiston moulding-powder plant.

Mr Gibbs said the modest improvement reported for the first half had been upset by several factors, including:

● Redundancy costs at Ferodo which had not been expected;

● Earnings from mines in Zimbabwe being lower than hoped;

● A seven-month strike at Hindustan Ferodo, India, which cut anticipated profits from £1.5m to £0.5m;

● Falling demand in the UK, particularly after the rises in interest rates in the latter part of the year; and,

● In the U.S., Hunt Chemical's results were affected by the recession and its trading profit was down on that of the previous year.

Overseas companies contributed £33.4m (1980 £28.4m) of group trading profits which totalled £36.4m. Their contribution fell, however, from £18.9m in the first half of the year to £14.5m in the second six months.

The group said the Hunt results for the first two and a half months of this year, however, justified confidence in reorganisation of that offshoot's plant, while in Zimbabwe mining output was being cut

Weather

UK TODAY

SHOWERS in most places. Sunny intervals. Near normal temperatures.

N. Wales, N. Ireland, N. England, N. Scotland, Orkney, Shetland.
Cloudy. Showers, heavy and wintry on high ground. Max. 9C (48F).

Rest of UK
Sunny periods. Scattered showers. Max. 11C (52F).

Outlook: Bright intervals. Showers. Becoming mainly dry and mild.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	L. Ang.		—	—
Algiers	F	19	66	Luxmbg.	C	3	37
Amsdm.	C	9	48	Luxor	S	28	82
Athens	C	13	55	Madrid	F	17	63
Bahrain	F	22	72	Majorca	S	16	61
Barcina.	C	15	59	Malaga	S	18	64
Beirut		—	—	Malta	F	15	59
Belfast	C	7	45	M'chstr.	F	7	45
Belgrd.	S	13	55	Melbne.		—	—
Berlin	C	5	41	Mx. C.†		—	—
Biarritz	C	9	48	Miami†		—	—
Bmghm.	R	7	45	Milan	C	6	43
Blackpl.	S	7	45	Montrl.†	C	−1	30
Bordx.	C	9	48	Moscow	S	4	39
Boulgn.	F	7	45	Munich	F	9	48
Bristol	F	8	46	Nairobi	S	29	84
Brussels	F	9	48	Naples	F	12	54
Budpst.	S	11	52	Nassau		—	—
Cairo	F	—	—	Nwcstl.	F	8	46
Cardiff	C	7	45	N. York†		—	—
Cas'b'ca	C	17	63	Nice	C	11	52
Cape T.	S	23	73	Nicosia	C	13	55
Chicg.†	S	1	34	Oporto	C	13	55
Cologne	R	4	39	Oslo	Sl	1	34
Cpnhgn.	F	5	41	Paris	F	10	50
Corfu	S	15	59	Perth	S	27	81
Denver†	S	−1	30	Prague	C	10	50
Dublin	C	8	46	Reykjvk.	S	−1	30
Dbrvnk.	S	12	54	Rhodes	S	14	57
Ednbgh.	F	7	45	Rome	S	14	57
Faro	S	18	64	Salzbrg.	S	16	61
Florence	F	14	57	S F'cisco†		—	—
Frankft.	R	5	41	S. Moritz		—	—
Funchal		—	—	Singapr.		—	—
Geneva	R	5	41	S'tiago†		—	—
Gibraltar	S	17	63	Stckhm.	C	3	37
Glasgow	R	7	45	Strasbg.	C	6	43
G'rnsey	F	7	45	Sydney		—	—
Helsinki	S	3	37	Tangier	S	19	66
H. Kong	C	23	73	Tel Aviv	S	17	63
Innsbrk.	F	10	50	Tenerife	C	20	68
Invrnss.	R	6	43	Tokyo	C	12	54
I.o.Man	F	8	46	T'ronto†	Sn	0	32
Istanbul	C	3	37	Tunis	S	21	70
Jersey	C	6	43	Valencia	S	23	73
Jo'burg	F	27	81	Venice	C	9	48
L. Pims.	F	19	66	Vienna	S	11	52
Lisbon	C	16	61	Warsaw	S	9	48
Locarno	R	3	37	Zurich	R	4	39
London	C	9	48				

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.
† Noon GMT. Temperatures.